



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

China

FBIS-CHI-89-178
Friday
15 September 1989

Daily Report

China

FBIS-CHI-89-178

CONTENTS

15 September 1989

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Qian Qichen To Meet Baker; Address UN Session [ZHONGGUO XINWEN SHE]	1
Australia, UN Extend Disaster Aid [XINHUA]	1
GATT Working Group To Meet in December [XINHUA]	1
Stronger Ties Sought in Information Industry [XINHUA]	1

United States & Canada

Article Refutes VOA 'Impartiality' in Reporting [LIAOWANG 4 Sep]	2
Petrochemical Joint Venture Planned for Guangdong [XINHUA]	3

Soviet Union

Yang Shangkun, Lukyanov Urge Cooperation [XINHUA]	4
Inner Mongolia Reports Border Trade [Hohhot Radio]	4

Northeast Asia

Japan Lifts Tourism Restrictions [RENMIN RIBAO 8 Sep]	5
Further on Expulsion of Japanese Tourist [XINHUA]	5

Near East & South Asia

Qian Qichen Departs for Pakistan [XINHUA]	5
Wan Li, Pakistani Scholar Praise 'Friendly' Ties [XINHUA]	5
Pakistani President Receives Xinjiang Delegation [XINHUA]	5

West Europe

UK Allows High Tech Aircraft Hardware Export [XINHUA]	6
---	---

Latin America & Caribbean

Central Committee's Zhu Liang Visits Cuba	6
Arrives in Havana [XINHUA]	6
Meets Politburo's Risquet [XINHUA]	6
Nicaragua's Ruiz Ends Visit; Leaves Shanghai [XINHUA]	6
Chen Muhua Meets Brazilian Deputies [XINHUA]	6

NATIONAL AFFAIRS

Political & Social

Foreign Minister Stresses Independent Policy [CHINA DAILY 15 Sep]	7
News Conference Discusses Liang Xiang Dismissal [Beijing TV]	7
XINHUA Comments	8
Shenzhen Party Boss May Be Purged [Hong Kong SOUTH CHINA MORNING POST 15 Sep]	8
Jiang Zemin Tours Yanan, Other Shaanxi Cities [Xian Radio]	9

Tian Jiyun Inspects Hebei Province 8-14 Aug [HEBEI RIBAO 15 Aug]	11
Li Peng Addresses Children's Work Forum [RENMIN RIBAO OVERSEAS EDITION 7 Sep]	12
Further on National Day Activities	13
Statue Planned [HONGKONG STANDARD 8 Sep]	13
'Grand Gala' Scheduled [XINHUA]	14
Frugality Stressed [Beijing Radio]	14
Ministry Lists Corruption Punishments [Beijing Radio]	15
Article Highlights 1957 Deng Xiaoping Report [RENMIN RIBAO 25 Aug]	15
Deng's Report On Unhealthy Trends Outlined [RENMIN RIBAO 24 Aug]	19
Wang Zhen, Li Tieying Receive Sports Delegates [Shenyang Radio]	21
Jiang Zemin, Li Peng Praise Quality Control [RENMIN RIBAO 30 Aug]	21
Li Tieying Attends Family Planning Festival [Beijing TV]	22
State Council Decision on Duty-Free Goods Issued [XINHUA]	22
Central Committee Commends Outstanding Units [XINHUA]	22
Computers Aid Student Enrollment [Hong Kong TA KUNG PAO 7 Sep]	22
Radio Talk Reaffirms 'Two Systems' Policy [Beijing International]	23
Ministry To Sponsor Film Festival [XINHUA]	24
WHO-Funded Rehabilitation Course Opens [XINHUA]	25

Science & Technology

Academy Official Outlines Biotechnology Gains [XINHUA]	25
Researchers Develop Versatile Bio-Surfactant [XINHUA]	25
Paper Recounts Scientific Achievements [XINHUA]	26

Military

Shandong Secretary Addresses Navy Meeting [Jinan Radio]	26
Engineers Develop Mine Laying, Sweeping Skills [ZHONGGUO XINWEN SHE]	26

Economic & Agricultural

Energy Production Expected To Meet Major Targets [CHINA DAILY 13 Sep]	27
Official Reports Increased Foreign Investment [CHINA DAILY 11 Sep]	27
XINHUA Roundup Views High Tech Industry	28
Nation Ranks Among Leading Appliance Producers [XINHUA]	29
Construction Output Exceeds Commerce, Transport [XINHUA]	29
Economic Situation Assessed; Tasks Enumerated [LIAOWANG OVERSEAS EDITION 4 Sep]	29
Paper Compares Socialist, Capitalist Systems [JINGJI RIBAO 24 Aug]	31
Commentator Views Private Enterprise System [RENMIN RIBAO 3 Sep]	34
Song Jian Commends Quality Control Achievements [Beijing Radio]	35
Song Jian Discusses Rural Service Network [XINHUA]	35
Statistics Reflect Trade Development [XINHUA]	35
Number of Foreign Investment Contracts Noted [XINHUA]	36
Commercial Bank Raises Funds for Enterprises [XINHUA]	36
Urumqi Hosts National Meeting on Gas Use [XINHUA]	36
Peasant Laborers Fill Industrial Vacancies [XINHUA]	37
Port Network Develops Capacity, Services [XINHUA]	37
Railway System Continues Expansion [XINHUA]	37
Civil Aviation Industry Continues Growth [XINHUA]	38
He Kang Urges Science, Agricultural Cooperation [Beijing Radio]	38
Official Outlines Rural Enterprise Realignment [XINHUA]	38
Recommendations Made for Agricultural Development [LIAOWANG OVERSEAS EDITION 28 Aug]	39
Workshop Discusses Loess Plateau Erosion [XINHUA]	40

REGIONAL AFFAIRS

East Region

Fujian Overseas Trade Talks Conclude	41
--------------------------------------	----

Jiangsu Leaders Address Rural Work Meeting [XINHUA RIBAO 30 Aug]	41
Shandong Secretary Attends Party School Opening [Jinan Radio]	42
Shanghai Mayor Attends Economics Discussion [Shanghai Radio]	43
Li Zemin Addresses Zhejiang Scientists, Experts [ZHEJIANG RIBAO 18 Aug]	44

Central-South Region

Liu Jianfeng Elected Hainan Governor	44
Background Given [ZHONGGUO XINWEN SHE]	44
Gives Inaugural Address [ZHONGGUO XINWEN SHE]	44
Secretary Views Liang's Removal [XINHUA]	45
Hunan Secretary Stresses Cardinal Principles [Changsha Radio]	45

Southwest Region

Sichuan Secretary Speaks on Party Building [Chengdu Radio]	46
Sichuan's Yang Rudai Stresses Economic Stability [Chengdu Radio]	47
Yunnan's Pu Chaozhu Speaks on Party Building [Kunming Radio]	48

North Region

Beijing Leaders Meet Student Federation Cadres [BEIJING RIBAO 28 Aug]	48
Hebei Secretary Inspects Drought-Stricken Areas [HEBEI RIBAO 20 Aug]	49
Hebei Secretary Attends Meeting on Honesty [HEBEI RIBAO 26 Aug]	50
Inner Mongolia Secretary at Sports Meet Opening [NEIMENGGU RIBAO 26 Aug]	50
Wang Qun at Inner Mongolia Organizational Meeting [Hohhot Radio]	51

Northeast Region

Heilongjiang Secretary Inspects Highway Sites [Harbin Radio]	51
Heilongjiang Secretary Attends Rally for Teachers [Harbin Radio]	51
Jilin Secretary Addresses Industrial Work Forum [Changchun Radio]	52
He Zhukang Attends Jilin Exhibition Opening [Changchun Radio]	53
Jilin's He Zhukang Addresses Model Artists [Changchun Radio]	53
Jilin Secretary Attends Awards Meeting [Changchun Radio]	53

TAIWAN

Veteran Opposition Leader Yu Teng-fa Dies [CNA]	55
Commentaries Consider Massacre Aftermath	55
Continued Martial Law [Taipei International]	55
100th Day Passes [Taipei International]	56
International Bids on Missile Cruisers Invited [Taipei Radio]	56
Investment Contracts Signed in Xiamen [Tokyo KYODO]	56

HONG KONG & MACAO

Hong Kong

Governor To Visit United States in October [XINHUA]	57
Over 50,000 Attend Tiananmen Anniversary Rally [SOUTH CHINA MORNING POST 13 Sep]	57
XINHUA Officials Reject Petition Letters [SOUTH CHINA MORNING POST 13 Sep]	58
Law Drafters Postpone Session Until February [HONGKONG STANDARD 13 Sep]	59

Macao

Further Reportage on Lu Ping, Delegation Visit	59
Lu Comments on Basic Law [SOUTH CHINA MORNING POST 13 Sep]	59
Draft 'Mini-Constitution' Presented [SOUTH CHINA MORNING POST 14 Sep]	59
Governor Briefs Lu [XINHUA]	60

General

Qian Qichen To Meet Baker; Address UN Session

HK1509100089 Beijing ZHONGGUO XINWEN
SHE in Chinese 0742 GMT 15 Sep 89

[Report by Xie Yining (6200 0001 1337): "Two Senior PRC Delegations To Attend International Conferences in New York"—ZHONGGUO XINWEN SHE headline]

[Text] Washington, 14 Sep (ZHONGGUO XINWEN SHE)—Two senior Chinese delegations will come to the United States by the end of this month to attend important international conferences.

Chinese Foreign Minister Qian Qichen will arrive in New York on 27 September to attend the annual UN General Assembly. UN sources revealed that Qian will speak at the assembly on behalf of the Chinese Government on 29 September. During the 8 days of his stay in New York, he will also hold some bilateral talks with other foreign ministers. Sources said that although this year's bilateral talks will not be as many as those of last year, which were held on more than 50 occasions, according to the current arrangements, such talks will be held on 30 to 40 occasions.

It was said that Qian Qichen will hold bilateral talks with U.S. Secretary of State Baker, Soviet Foreign Minister Shevardnadze, and Indonesian Foreign Minister Alatas. Whether China and Indonesia will announce restoration of diplomatic relations during this meeting is a question attracting attention.

Another senior delegation is the one led by Li Guixian, state councillor and president of the People's Bank of China. The delegation will arrive here on 15 September to attend the World Bank's annual meeting. Other members include the People's Bank's Vice President Qiu Qing and Chi Haibin, vice minister of finance. It is learned that according to the current arrangement, the Chinese officials will respectively meet the president, vice presidents, and head of the Chinese section of the World Bank. Although the forthcoming World Bank annual meeting will not discuss the question of unfreezing loans to China, people believe that these private meetings will be suitable for raising similar questions.

Australia, UN Extend Disaster Aid

OW1509101389 Beijing XINHUA in English
0820 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—Two United Nations agencies and the Australian Government offered 150,188 U.S. dollars here today as emergency assistance for the areas in south China stricken by floods this summer, which left 1,300 people dead.

The joint aid, 75,188 U.S. dollars from the Australian Government and the rest from the UN Development Program (UNDP) and the UN Disaster Relief Organization (UNDRO), will be used to purchase food and quilts for local people in the disaster-stricken areas.

Heavy rainfall caused huge floods in Sichuan, Jiangsu, Jiangxi, Zhejiang, Anhui and Guangdong Provinces in south China in June and July this year. In addition to the heavy loss of lives, 417,000 residences were destroyed with direct economic losses of six billion yuan.

Four UN organizations, seven governments and seven inter-governmental and non-governmental organizations have offered disaster relief aid to China since the tragedy.

David Sadleir, Australian ambassador to China, Herbert Behrstock, UNDP deputy resident representative, and Wang Tiance, director of the International Relations Department of the Ministry of Foreign Economic Relations and Trade, signed the agreement for the aid project at today's ceremony.

GATT Working Group To Meet in December

OW1509060689 Beijing XINHUA in English
0539 GMT 15 Sep 89

[Text] Geneva, September 14 (XINHUA)—The eighth meeting of the working group on the restoration of China's position as a signatory of the General Agreement on Tariffs and Trade (GATT) will be held from December 12 to 14.

A spokesman for GATT said here today that the decision was made this afternoon at an informal GATT meeting. The spokesman said that it was suggested that the working group require that the Chinese government provide information on the latest developments in Chinese economic and trade policies.

Stronger Ties Sought in Information Industry

OW1509023589 Beijing XINHUA in English
1530 GMT 14 Sep 89

[Text] New York, September 14 (XINHUA)—China is trying to step up cooperation with foreign countries in the information industry, according to the 21st annual meeting of the Information Industry Association which closed here Wednesday.

The five-day meeting was attended by the Chinese Information Industry Trade Association (CIITA), formed jointly by the information center of the Chinese Academy of Sciences, the computer center of the Chinese Ministry of Foreign Economic Relations and Trade, and others in China.

The Chinese delegation will launch a number of cooperation programs with its counterparts in Japan, the United States and other countries.

The head of the Chinese delegation, Wang Ke, said his delegation has reached an agreement with the Japanese Information Communication Association (JICOA) on large-scale software projects from design to coding. The program will be coordinated by the latter.

A preliminary agreement on a program to train information industry managers for China has been reached by the the CIITA and IIA of the United States.

More than 600 member companies of the IIA displayed their newest technologies and products during an exhibition held simultaneously with the annual meeting.

The meeting was convened when the information industry has entered "a transition phase where market forces are coming into play as stronger motivation as to the direction the industry will take," said the newly elected IIA President David Fullaarton [name as received].

"In past years, it has been a technology-driven industry with innovation in design and production of services and equipment really determining the industry's direction," he said.

He noted that the key to the success of the information industry will be its ability to adapt to that changing condition—from a technology-driven to a market-driven environment.

United States & Canada

Article Refutes VOA 'Impartiality' in Reporting

HK1409130189 Beijing LIAOWANG in Chinese
No 36, 4 Sep 89 pp 10-11

[Article by Hua Ding (5478 0002): "What Does the 'Exhibition of the Voice of America's (VOA) Rumors' Tell People?"]

[Text] BEIJING RIBAO and XIANCHUAN SHOUCE [Propaganda Pamphlet] have done a good job. They have exhibited 31 VOA reports on China during the 34 days from 15 May to 17 June (see BEIJING RIBAO of 5 August). May and June were quite unusual months. What did VOA noisily broadcast during those days? Without buying an entrance ticket, people can review unheard-of stories broadcast to the world by VOA, such as "70,000 workers of the Beijing Steel Factory are on strike," "at least 1,400 people died during the bloody massacre in Tiananmen," and "battles have broken out between Chinese troops, and soldiers are shooting each other." VOA skills of fabricating and spreading rumors have given us a broader perception.

This reminds me of an event that took place 2 years ago. On the occasion of the 45th founding anniversary of VOA in February 1987, President Reagan sent a congratulatory message reading: "An important component of our diplomacy is providing reliable and uncensored information;" "for millions of people living in a closed society, your broadcast is the voice of truth;" and VOA is a "mighty nonmilitary force" and a "force that is kindling flames in the darkness of communist society."

Is VOA "providing reliable information"? Is it the "voice of truth"? Beijing citizens and other Chinese who witnessed the student demonstrations, riots, and rebellion could not help laughing when they heard this. They

were obviously rumors; how could they be called "truth" and described as "reliable"? But it is right that VOA is a "nonmilitary force" and a "force that kindles flames" in socialist countries. However it is not that "mighty."

What have people observed from those 31 unheard-of reports?

First, each and every piece of VOA news bears prominent political criteria. In its vicious remarks it calls the PRC Government a "bogus regime," describes Chinese leaders and the older generation proletarian revolutionaries as "old blokes," and regards the imposition of martial law in parts of Beijing according to the Constitution and the act of clearing up Tiananmen Square on 4 June as "suppression" and a "sanguinary massacre." It has shown much sympathy and deep feelings for a handful of people who organized and instigated riots and the counterrevolutionary rebellion, during which wanton beating, smashing, looting, burning, and killing took place. It has equated thugs with students by indiscriminately calling them people "who fight for democracy" and "are full of ideals." It is obvious that VOA loves what is hated by the Chinese people and hates what is loved by the Chinese people. Can this be called "impartial"?

Second, in most of its news reports, including rumors it fabricates and spreads, VOA always adds introductory notes such as "according to informed sources," "as reported," "as disclosed," "it is said," "Liu Binyan says," "foreign reporters and diplomats have observed," and so on and so forth. This is to suggest that VOA news is based on facts. As a matter of fact, this is not a wise method. It uses casings such as "according to reports" to wrap its political purposes so that the hearers can be easily deceived. On the vast land of China covering 9.6 million square km and among the 1.1 billion Chinese people, who has revealed, reported, and disclosed to VOA? Why did VOA not broadcast what others had said but quote Liu Binyan and the likes? Why did it not broadcast news according to Chinese press reports released by Chinese newspapers and press agencies but base its reports on its own news sources? The answer is that each and every piece of news has been meticulously selected by VOA to serve the purpose of "kindling flames." What kind of "objectivity" is this?

The criteria for love, hatred, and selecting news are, as pointed out by the congratulatory message, aimed at "kindling flames in the darkness of communist society." In the eyes of VOA, anything that corresponds to these criteria is "truth." It will absolutely not broadcast any news that does not correspond to these criteria, no matter how valuable the news is.

Truthfulness is the lifeblood of news reports. We have always maintained that news reports must be true and must be filed objectively and impartially on the basis of facts. Preserving the truthfulness of news reports is the sacred duty of journalists. Without truthfulness, news reports will be lifeless and cannot be called news reports, to say nothing of their objectivity and impartiality. But

there is no such thing as news with "pure objectivity" or "superclass impartiality" in the world. Different classes and different social groups have different criteria for "objectivity" and "impartiality." "Objectivity" and "impartiality" are restricted by class and political views. The exploited and oppressed masses in capitalist society cannot accept rich people's criteria for "objectivity" and "impartiality"; "objectivity" and "impartiality" of a racial nature are regarded as something unobjective and unjust by the despised and oppressed black people. All this is easy to understand. Press agencies and reporters select news from all sorts of social phenomena according to their subjective thinking, which also determines what to report, why to report, whom to report to, and with what views to report. A news report on an event reflects the subjective understanding of press agencies and reporters on this event. There is no such thing as news without viewpoints. Having no viewpoints itself represents a kind of viewpoint.

Therefore we say that proletarian news truthfulness, objectivity, and impartiality are genuine truthfulness, objectivity, and impartiality, because these three are determined by the nature, tasks, and party spirit of proletarian press work, by the political orientation of serving the people and socialism, and by proletarian dialectical materialism and historical materialism. The Western bourgeois press media keep asserting that they observe, analyze, and report on events with "superclass" viewpoints and flaunt their news reports as being "objective" and "impartial." This is only to cover up their class nature. These 31 VOA reports on display serve as "living examples." In front of the Chinese, VOA has stripped off the camouflage of being "consistently accurate, impartial, and objective" in its reports, which VOA itself boasted not long ago.

During the turmoil and rebellion in Beijing in the early summer of this year, the U.S. press media gave themselves away by claiming to be "objective" and "impartial" in their reports. Of course VOA was one of them. In late April, May, June, and July, major U.S. newspapers took an extraordinary interest in the development of events in China. They frequently devoted three and even four whole pages to covering news on China. Television stations that very rarely covered Chinese events sometimes prolonged their programs by a half hour or one hour for special reports on developments in China. In most of their programs on China, they viciously attacked Chinese leaders either by mentioning their names or by displaying caricatures. They described the turmoil and counterrevolutionary rebellion as the "Beijing Spring," and thugs who wantonly engaged in beating, smashing, looting, burning, and killing as "prodemocracy activists." The National Broadcasting Company sent a star chief announcer to Beijing to interview the situation. Disguising themselves as tourists, he and two of his aides put their video cameras on their bicycles and photographed wherever they went. Then they displayed on television the events they had photographed. But the live

coverage of his interview with State Council spokesman Yuan Mu was not shown on television. Was this "objective" and "impartial"?

Some people in Chinese press circles flaunted news reports by VOA and other Western bourgeois press agencies as being "true," "all-inclusive," "objective," and "impartial," bowing in worship and paying homage to them. What will they feel if they visit this gratis exhibition on VOA rumors?

Since the 1940's, Western anticommunist forces have been trying to subvert socialist countries and turn them into capitalist countries by their "peaceful evolution" strategy and method of "scoring victory without a battle." Spreading bourgeois ideology, including the Western concept of freedom, democracy, and human rights, is an important means of implementing the "peaceful evolution" strategy. Acheson and Dulles paid close attention to the special role of ideological tools and press media, as have some Western politicians at present. At that time Eisenhower said: "One U.S. dollar in propaganda is equal to 5 U.S. dollars in national defense." In conducting an ideological struggle and carrying out political and ideological infiltration, VOA, a U.S. Government mouthpiece that operates on an annual financial fund of \$200 million and is equipped with huge organizations and a strong broadcasting capacity, has naturally played the important role of a "nonmilitary force."

The "exhibition on VOA rumors" currently run by BEIJING RIBAO and XIANCHUAN SHOUCE has been a rare occasion enabling the Beijing citizens and the people in the rest of the country to familiarize themselves with what VOA has done as an "important component of U.S. diplomacy," with how it has "kindled flames" in China, and with how it has tried to carry out "peaceful evolution" by means of a "nonmilitary force" in an attempt to "score victory without a battle." In this respect, the Chinese people should thank VOA for having acted as a teacher by negative example.

Petrochemical Joint Venture Planned for Guangdong

OW1509042789 Beijing XINHUA in English
0136 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—The Ministry of Textile Industry is planning to set up a Sino-U.S. petrochemical corporation in Zhuhai, Guangdong Province, to help ease the country's shortage of polyester fibre, "CHINA DAILY" reported today.

A letter of intent for the joint venture was signed between Amoco Chemical Company of the United States and Xinhun Company under the ministry and Zhuhai Textile Industrial Corporation in March, according to Ji Jun, deputy director of the ministry's Department of International Cooperation.

The first stage calls for an annual production capacity of 250,000 tons of PTA, a raw material for polyester fibre, and

will involve more than 200 million U.S. dollars in investment, with the American side providing technology, equipment, and raw materials worth 80 percent of the total investment and the Chinese side supplying land and workshops valued at 20 percent of the total amount.

According to Ji, the United States was chosen as a partner in this venture for its richness in chemical fibres. China used to spend several hundred million U.S. dollars every year on importing chemical fibres.

Since 1979, a total of 986 textile cooperative projects, joint ventures, and solely foreign-funded enterprises have been set up, involving a foreign contracted investment of 1.12 billion U.S. dollars.

Of the 986 Sino-foreign enterprises, 340 are garment manufacturers. Almost all of these are small-scale and many have Japanese partners.

In recent years, many enterprises have emerged making knit products and silk.

This trend conforms with the ministry's policy of encouraging more in-depth processing and raising the value of textile exports, Ji added.

Soviet Union

Yang Shangkun, Lukyanov Urge Cooperation

OW1509103089 Beijing XINHUA in English
0958 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—China and the Soviet Union should cooperate with each other, exchange experiences and develop friendly relations in line with the new starting point set forth during the May Sino-Soviet summit, Chinese President Yang Shangkun said here today.

Yang made the remark this morning in the Great Hall of the People during a meeting with visiting First Vice-President of the Presidium of the Supreme Soviet of the Soviet Union Anatoliy Lukyanov and his party.

Yang recalled that during the Sino-Soviet summit last May between Deng Xiaoping, chairman of the Central Military Commission, and President Mikhail Gorbachev, Deng said the two countries should "put an end to the past and open up a future."

This represents the common desire of the leaders of the Chinese Communist Party and Government as well as of the Chinese people, he said, adding that Gorbachev's visit turned a new page in the history of Sino-Soviet relations and formed a new starting point in bilateral friendly relations.

He noted that the friendship between the peoples of the two countries has a long history. Although there was a period of time when the two countries had abnormal relations, Yang continued, the past is past and the two peoples maintain deep feelings towards each other.

Lukyanov told Yang that the delegation met Chinese workers and peasants and experienced for themselves the friendship that the Chinese people have towards the Soviet people. This has left a "very deep impression" upon the delegation, he said.

During the 80-minute meeting, Yang also said social order has returned to normal and the life of Beijing citizens is stable since China's quelling of the June anti-government rebellion.

Speaking of the difficulties China is now facing, he said some of them are inevitable. "We are confident of readjusting our policies and overcoming the current difficulties within two or three years," he said.

He stated that a stable domestic environment is the first priority in handling affairs well in China. Thus, he continued, "we now attach special importance to stability and unity in China."

He also stressed the importance of the party building, sticking to the party's central role and strengthening ideological and political education among the vast masses.

He asked Lukyanov to pass along the regards of General Secretary Jiang Zemin and his own to Gorbachev and expressed heartfelt wish that the reforms in the USSR succeed.

Lukyanov told Yang that prior to his China visit, he talked with Gorbachev who asked him to convey best wishes to Jiang and Yang and tell the Chinese leaders that the May visit to China left a "deep impression."

Present at the meeting was Peng Chong, vice-chairman of the Standing Committee of the Chinese National People's Congress.

The guests are scheduled to leave here later today for a tour of Wuhan and Shanghai.

Inner Mongolia Reports Border Trade

SK1509093289 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 14 Sep 89

[Summary] Under the guidance of the party's general guideline, Inner Mongolia Autonomous Region has made marked progress in conducting border trade with the Soviet Union and the Mongolian People's Republic. The region's volume of imports and exports increased from \$1 million in 1983 to \$96 million in 1988, showing an 87-fold increase in this period. The region has, to date, signed 26 contracts with the Soviet Union and the Mongolian People's Republic on economic and technical cooperation and on the offering of labor forces. The number of laboring personnel has reached more than 3,000. The region has also made commercial contacts with the German Democratic Republic, the People's Republic of Bulgaria, the Polish People's Republic, and the Hungarian People's Republic, as well as established economic and trade relationships with them.

Northeast Asia

Japan Lifts Tourism Restrictions

HK1509031889 Beijing RENMIN RIBAO in Chinese
8 Sep 89 p 3

[XINHUA Report: "Japanese Foreign Ministry Decides To Lift Restrictions on Visit to China"]

[Text] Beijing, 6 Sep (XINHUA)—The Foreign Ministry of Japan decided that on 11 September, the restrictions on visits to China by Japanese tourists and company staff members will be officially lifted.

The Japanese Government imposed the restriction on Japanese people's visits to China after China quelled the counterrevolutionary rebellion on 4 June.

The Japanese Government said that Japanese-Chinese relations will be gradually restored after the incident has passed for more than 3 months, and the two countries will resume the talks on some new economic cooperation projects, including the third Japanese yen loan to China.

Further on Expulsion of Japanese Tourist

OW1409145789 Beijing XINHUA in English
1410 GMT 14 Sep 89

[Text] Shanghai, September 14 (XINHUA)—Japanese tourist Homaye Morinaga had his stay in China curtailed and left under escort here today, accused of activities incompatible with his tourist status.

The decision was made by the local public security bureau.

According to the bureau, 26-year-old Homaye Morinaga, a lecturer employed by a language school in Japan, has visited China three times. When he arrived at Shanghai's Hongqiao International Airport September 10 with a tourist visa, he was carrying a number of reactionary publications including a book edited by fugitive Yan Jiaqi, who fled China after the quelling of the anti-government riots in early June.

During his stay in Shanghai he prepared slogans for an attempted demonstration to "commemorate the 100th day" since the quelling of the June 4 anti-government riots, an officer from the local public security bureau said.

Therefore, the local public security organ summoned him and ordered him to leave China as he had violated the law.

Near East & South Asia

Qian Qichen Departs for Pakistan

OW1509103689 Beijing XINHUA in English
1018 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—Chinese Foreign Minister Qian Qichen left here today for a visit to the Middle East via Pakistan.

The minister will visit Jordan, Egypt, Syria and Tunisia. After that he is scheduled to fly to New York to attend the 44th General Assembly of the United Nations.

Wan Li, Pakistani Scholar Praise 'Friendly' Ties

OW1409104789 Beijing XINHUA in English
0957 GMT 14 Sep 89

[Text] Beijing, September 14 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress, said here today that he hopes the close relations between China and its good neighbor Pakistan will be further strengthened.

In a meeting today with Masood Hussein, director-general of the Institute of Strategic Studies of Pakistan, Wan said that there exist very friendly and cooperative relations between China and Pakistan in political, economic, cultural, scientific and technological fields. He expressed the hope that such relations will be further strengthened in the future through efforts from the two sides.

Husein is here on a visit to China at the invitation of the Beijing Institute for International Strategic Studies.

Wan said it is necessary and conducive for scholars of the two countries to exchange views on the current international situation and global strategic issues. Hussein said that Pakistan and China share special friendly and cooperative relations on the basis of the five principles of peaceful coexistence, adding that no matter what happens in China, Pakistan will express its sympathy and support.

Present on the occasion was Xu Xin, president of the Beijing Institute for International Strategic Studies.

Pakistani President Receives Xinjiang Delegation

OW1509084589 Beijing XINHUA in English
0747 GMT 15 Sep 89

[Text] Islamabad, September 15 (XINHUA)—President Ghulam Ishaq Khan said that the close friendship between Pakistan and China has stood the test of time and political vicissitudes in both countries.

The Pakistani president made the remark while meeting with a delegation of Xinjiang Uygur Autonomous Region of China here Thursday night.

He said that the Pakistan-China friendship and cooperation have been of great benefit for Pakistan in many fields and helped it become self-reliant.

Ishaq Khan noted that the friendship between the two countries will be further strengthened with the passage of time.

The nine-member delegation, led by Mao Dehua, vice governor of the people's government of Xinjiang Uygur Autonomous Region, is on a 12-day visit to Pakistan.

Recently, the senate of Pakistan has constituted a friendship group to further strengthen Pakistan's proverbial bonds of close friendship with China. Chairman of the Senate Wasim Sajjad is the president of the group.

West Europe

UK Allows High Tech Aircraft Hardware Export

OW1509020489 Beijing XINHUA in English
0130 GMT 15 Sep 89

[Text] London, September 14 (XINHUA)—The British Foreign Office confirmed today that Britain was allowing the export of high-tech equipment for Chinese fighter planes despite a ban on arms sales to China imposed in June.

The Foreign Office said approval had been given to two British companies, GEC Avionics and Marconi Defense Systems, for the sale of "head-up displays" and radar equipment worth 30 million pounds (about 48 million dollars).

They had been granted licenses to sell hardware for the Chinese military aircraft, a version of the Soviet MiG21 fighter.

The approval was made in consultation with the Department of Trade and the Ministry of Defense, a Foreign Office spokesman said.

He said the export involves "avionics equipment" and "is not an arms sale." Britain imposed a ban on arms sales to China in response to the turmoil in Beijing in June.

The original contract for the head-up display and radar equipment was announced in March. Marconi Defense Systems is the prime contractor and GEC Avionics, part of GEC-Marconi, the principal sub-contractor.

Latin America & Caribbean

Central Committee's Zhu Liang Visits Cuba

Arrives in Havana

OW1309183489 Beijing XINHUA in English
1758 GMT 13 Sep 89

[Text] Havana, September 13 (XINHUA)—Zhu Liang, chief of the International Relations Department and member of the Central Committee of the Communist Party of China, and his delegation arrived early this morning in Havana on an official working visit.

Zhu Liang and his group were met at Havana International Airport by Tania Maceira, deputy chief of the

General Department of Foreign Relations of the Central Committee of the Communist Party of Cuba, Armando Guerra Menchero, Cuba's ambassador to China, and acting charge d'affaires at the Chinese Embassy, Wang Gewu, and other Chinese diplomats.

At the invitation of the Central Committee of the Communist Party of Cuba, Zhu Liang and his entourage will meet with leaders of the Cuban party and visit economic, historic and scientific places of interest.

Meets Politburo's Risquet

OW1409122689 Beijing XINHUA in English
0556 GMT 14 Sep 89

[Text] Havana, September 13 (XINHUA)—Jorge Risquet, a Politburo member and secretariat of the Cuban Communist Party and head of the General Department of Foreign Relations of the Central Committee today met with the visiting delegation of the Central Committee of the Chinese Communist Party.

Zhu Liang, head of the International Liaison Department and a member of the Central Committee of the Communist Party, arrived here early this morning for an official working visit at the invitation of the Central Committee of the Cuban Communist Party.

Tania Maceira, Subdirector of the General Department of Foreign Relations Jose A. Guerra Menchero, Cuba's ambassador to China, and other party officials were at the meeting.

Nicaragua's Ruiz Ends Visit; Leaves Shanghai

OW1509073189 Beijing XINHUA in English
0619 GMT 15 Sep 89

[Text] Shanghai September 15 (XINHUA)—Henry Ruiz, member of the National Directorate of the Sandinist National Liberation Front of Nicaragua and minister of external co-operation, and his party left here today, ending a six-day goodwill visit to China.

During their two-day stay in Shanghai, the Nicaraguan guests had visited the Minhang economic development zone, a bicycle factory and a textile center.

Vice-Mayor of Shanghai Gu Chuanxun saw the visitors off at the airport on behalf of Mayor Zhu Rongji.

Chen Muhua Meets Brazilian Deputies

OW1409084489 Beijing XINHUA in English
0555 GMT 14 Sep 89

[Text] Beijing, September 14 (XINHUA)—Chen Muhua, vice-chairman of the National People's Congress Standing Committee and president of the All-China Women's Federation, met here today with a women deputy delegation from the Brazilian Chamber of Deputies.

The delegation headed by Deputy Eunice Michiles arrived here September 2 for a visit to China at the invitation of the All-China Women's Federation.

Political & Social

Foreign Minister Stresses Independent Policy

HK1509021689 Beijing CHINA DAILY in English
15 Sep 89 p 1

[By staff reporter Zhang Ping]

[Text] "An independent foreign policy has been China's fundamental principle in handling its foreign affairs over the past 40 years," Chinese Foreign Minister Qian Qichen said in Beijing yesterday [14 September].

Summing up the country's foreign relations—since the founding of the People's Republic in 1949—Qian vowed to continue pursuing such a policy in the years ahead.

The foreign minister made the remarks in honour of the 40th anniversary of the People's Republic.

Recalling the experience of the past four decades, he said that China had gradually formulated a comprehensive foreign policy line and a unique diplomatic style.

China has become an important force in the world, independent of the United States and the Soviet Union, he said.

Qian listed the following events as victories for the Chinese Government's independent foreign policy of peace:

- the resumption of China's seat in the United Nations;
- the turning from hostility to dialogue in Sino-U.S. relations and then the establishment of diplomatic relations through negotiations; and
- the normalization of Sino-Soviet relations after a long confrontation.

Qian also pointed out that to maintain world peace is "the basic goal" of Chinese foreign policy.

China has been pursuing a peaceful foreign policy and it is firmly against the arms race in all its manifestations.

China was the country that proposed the banning and destruction of all stockpiles of nuclear, chemical and space weapons as well as the reduction in conventional weapons and military personnel.

"We also took action to reduce our own arms," he said.

From the first day that China possessed nuclear weapons, it declared that they were only for the self defence and pledged that China would not be the first to use nuclear weapons at any time or in any situation.

In the area of conventional armaments, China took the lead to cut its military expenditures from 17.5 per cent in 1979 to 8 per cent in 1988. In 1985, China also decided to demobilize 1 million military personnel, about one quarter of the total armed force.

China's disarmament gestures have helped to advance the cause of peace in the world, Qian said.

Being a developing country, he said, China has always regarded its support of Third World countries as its bounden international duty and made it a "basic standpoint" in its foreign policy to strengthen ties and increase co-operation with other Third World countries.

CHINA DAILY has learned that Qian will leave Beijing tomorrow for a ten-day visit to four Middle East countries.

According to Qian, China has established diplomatic relations with 139 countries and has exchanges and co-operation on economic, trade, science and technology and culture with over 180 countries and regions.

Qian said that China's open policy is omni-directional. We are open to capitalist countries as well as socialist and developing countries.

In conclusion, Qian said, China's foreign policy should also contribute to the cause of the country's reunification.

News Conference Discusses Liang Xiang Dismissal

OW1409144389 Beijing Television Service
in Mandarin 1000 GMT 14 Sep 89

["Liang Xiang Is Dismissed for Abusing Power To Seek Personal Gains" by reporter Lu Weichang (7120 0251 2490)—caption on screen: from the "National News Hookup" program]

[Text] [Video begins with shots of four officials of the Ministry of Supervision sitting in front of a group of reporters. Above the officials is hung a red, horizontal cloth scroll with characters reading "A Press Conference Held by the Ministry of Supervision." Video shots alternate between officials speaking and reporters listening and taking notes] It has been learned that the Ministry of Supervision, together with the Central Commission for Discipline Inspection under the CPC Central Committee and the Auditing Administration, has conducted a serious investigation of the case against Comrade Liang Xiang with the coordination and support of the Hainan Provincial CPC Committee and Hainan Provincial People's Government to verify if the charge was correct. It has been determined in the course of the investigation that Comrade Liang Xiang made a serious mistake by abusing power for personal gains during the period of his work in Hainan. He winked at his wife's and son's illegal speculation with regard to housing and real estate. His wife made advance payments to purchase two residences under her name in Haikou City. His son then resold the buildings at a fabulous profit.

Comrade Liang Xiang also personally gave a certain company the approval to import a number of vehicles in violation of the provincial government's regulations on the examination of and approval for imports of vehicles. Though his son was not involved in managing the imports of this batch of vehicles, he did take the advantage of the opportunity to extort a huge sum of money.

He used his position and power to take care of the formalities for his other son, who had not settled in Hainan yet, to move from Hainan to Hong Kong and to obtain permanent residence status there in violation of regulations. He used public funds to make clothes and suits for himself and to defray the expenses for his personal banquets in violation of financial and economic discipline.

Comrade Liang Xiang is a veteran comrade who has participated in revolutionary work since 1935.

The CPC Central Committee and the State Council maintain that Comrade Liang Xiang has done beneficial work in the past. However, under the new situation of reform and opening to the outside world, Comrade Liang Xiang discarded the fine traditions of wholeheartedly serving the people and waging hard struggle, supported and connived in the criminal activities of his wife and son, committed the serious mistake of abusing power to serve selfish interests, violated financial and economic discipline, damaged the image of the party and the state before the people, and ruined the good reputation of reform and opening to the outside world. The whole party and all state functionaries should draw the necessary lessons from the mistakes committed by Comrade Liang Xiang.

Hainan Provincial Governor Liang Xiang has seriously abused power to serve selfish interests. The party Central Committee and the State Council have decided to remove him from all posts inside and outside the party. This undoubtedly shows the determination of our party and government to crack down on corruption.

Anyone in China who violates party and government discipline and state laws shall be dealt with seriously, regardless of whether he is a common or senior cadre. This is the case with Liang Xiang, and will certainly be the case with any cadres, including senior cadres.

XINHUA Comments

OW1409172989 XINHUA Domestic Service
in Chinese 1208 GMT 14 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 14 Sep (XINHUA)—XINHUA commentator's article by contributing commentator: "Those Who Abuse Power for Personal Advantage Should Take Warning"

Liang Xiang, governor of Hainan Province, made serious mistakes by abusing power for personal interests. The party Central Committee and the State Council decided to dismiss him from all his posts inside and outside the party. This event has unquestionably indicated the determination of our party and government in punishing those who are corrupt. This event also indicates that anybody in China, either ordinary or high-ranking cadres, will be strictly handled if he violates party or government discipline or state laws. Liang

Xiang was dealt with in such a way. Other cadres, including those of high rank, will also be treated in the same manner.

Comrade Liang Xiang's mistakes are of a representative nature. He abused the power given him by the party and the people for personal interests. He himself not only directly violated discipline in financial and economic affairs, but also supported and connived for his wife and sons to use his power for private interests and financial gains. This is a typical case of abusing one's power for private interests. All our comrades should draw lessons from Liang Xiang's mistakes in abusing his power for private gains.

Comrade Liang Xiang's mistakes also told us that under the new historical conditions, the leading cadres at all levels must be able to withstand the test in carrying out reform and opening to the outside world as well as stand the test of power. They must not be swayed by money or private gains. Liang Xiang's mistakes ruin the reform and open policy image. Taking disciplinary action against Liang Xiang is aimed at doing a still better job in implementing reform and open policy. One of the important reasons why Liang Xiang committed serious mistakes by abusing power for private gains and violating discipline in financial and economic affairs is that he forgot his fundamental task—to wholeheartedly serve the people. He relaxed his vigilance under the new situation in carrying out reform and opening to the outside world and he was unable to resist the attack of the decadent thinking of putting money above all. All our comrades must take warning from this.

Shenzhen Party Boss May Be Purged

HK1509015789 Hong Kong SOUTH CHINA
MORNING POST in English 15 Sep 89 pp 1, 10

[By Willy Wo-Lap Lam]

[Text] A liberal leader in southern China may soon be replaced because of his alleged involvement in the pro-democracy movement, Chinese sources said yesterday [14 September].

Mr Yuan Geng, party boss and chairman of the board of Shekou Industrial District—a "zone within a zone" in Shenzhen—is under investigation by party disciplinary personnel for Shekou's involvement in the "counter-revolutionary turmoil" in Beijing.

The Shekou district, which accounts for about 40 per cent of the industrial production of Shenzhen, is managed by the Hong Kong based China Merchants Holdings [CMH], an offshoot of the State Council's Ministry of Communications. Mr Yuan, who divides his time between Shekou and Hong Kong, is also executive vice-chairman of CMH.

Chinese sources say that Mr Yuan is being held accountable on two counts: support shown by various Shekou units to student leaders and dissident intellectuals during

the democracy movement, and his own association with Mr Zhao Ziyang and the liberal camp of the party.

"Conservative elements in Beijing will likely put pressure on Mr Yuan, who is over 70, to retire," said a political source in Shenzhen.

"Unlike Hainan Governor Liang Xiang, another Zhao Ziyang protege who was dismissed because of alleged corruption and other economic crimes, Mr Yuan has a well-known reputation as Mr Clean."

Analysts say, however, that Mr Yuan could be easily incriminated for Shekou's involvement in the pro-democracy movement.

The Shekou zone is one of three units in China to have donated more than 100,000 yuan (HK\$210,000) to the democracy movement. The other two are the Stone Corp. of Beijing, China's largest private high-tech company, and the All China Federation of Trade Unions (ACFTU).

Stone chairman Wan Runnan, who fled China days after the June 4 Tiananmen crackdown, has been denounced as a "counterrevolutionary" and is wanted by the Chinese police.

ACFTU chief Zhu Houze, who is close to Mr Zhao Ziyang, is still hanging on to his post. Chinese sources say, however, that he is under investigation by security personnel.

Many official units in Shekou gave material and moral support to the pro-democracy activists. Chinese sources say that security personnel are investigating three units in particular: the SHEKOU NEWS, the Yu Cai Middle School, and the Personnel Training Bureau of the Shekou administration.

The weekly SHEKOU NEWS, the district's official paper, has been vocal in propagating economic and political reform. Hardliners in Beijing say that SHEKOU NEWS is even more radical than *WORLD ECONOMIC HERALD*, the Shanghai paper closed by orders of party Chief Jiang Zemin.

Throughout the democracy movement, staff and students at Yu Cai Middle School, one of the best in Shenzhen, reportedly made donations to student activists in Beijing. Yu Cai also held pro-democracy demonstrations.

The Personnel Training Bureau has over the past two years invited a number of "bourgeois-liberal" intellectuals to give lectures to Shekou executives. They include such famed dissidents as Mr Liu Binyan and Mr Wang Ruoshui.

Hardliners in the party are also anxious to shoot down Mr Yuan because of his well-known reputation as an advocate and practitioner of economic and political reform.

Shekou has been the first area in China to experiment with quasi-capitalistic ways of doing business. Even more significant, the district is a pioneer in political liberalisation.

Beginning from the mideighties, senior officials of the Shekou administration have been directly elected into office by Shekou citizens who have cadre-ranking or above.

Chinese sources say that aside from Mr Yuan Geng, Mr Li Hao, the reformist mayor of Shenzhen and another Zhao Ziyang protege, is also in political trouble.

"Mr Li Hao is politically close to Mr Liang Xiang, who was Shenzhen mayor from 1981 to 1986," a Chinese source said.

Sources in Shenzhen say that Mr Li Hao has come under criticism for alleged nepotism. For example, the Shenzhen mayor is said to have placed close relatives in senior positions in the China Nanhai Oil Joint Service Corp., one of the largest corporations in Guangdong.

In order not to upset foreign investors, however, Beijing is not expected to oust either Mr Yuan Geng or Mr Li Hao in the coming weeks.

Earlier this week, both Mr Yuan and Mr Li made public appearances in which they continued to speak out for economic reform.

On Tuesday Mr Yuan Geng briefed Politburo Standing Committee member Mr Li Ruihuan, who was on a tour of the south, on the future development of Shekou.

And in a dispatch yesterday, the China News Service quoted Mr Li Hao's remarks to a financial delegation from Czechoslovakia.

"The Shenzhen Special Zone will on the one hand develop its economy and on the other continue to make explorations for the reform of the entire country," Mr Li said.

Jiang Zemin Tours Yanan, Other Shaanxi Cities

*HK1509015489 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 14 Sep 89*

[Text] Jiang Zemin, general secretary of the CPC Central Committee, stressed while inspecting Yanan that the Yanan spirit of self-reliance and hard struggle is not outdated. We carried forward the Yanan spirit during the years of arduous struggle in the anti-Japanese war and the liberation war, and we cannot do without the Yanan spirit during the initial stage of socialism, otherwise, we can hardly build socialism.

On the eve of the 40th anniversary of the founding of the state, Jiang Zemin, bringing the concern of the CPC Central Committee and State Council for the people of Yanan and the old liberated areas, inspected Yanan, the sacred place of the revolution where Chairman Mao and the CPC Central Committee lived and fought for 10

years. The general secretary listened to work reports on Yanan Prefecture and city, inspected the rural suburbs, and visited the old dwellings and of Mao Zedong and the older generation of proletarian revolutionaries, as well as historical sites of the revolution.

On his purpose in visiting Yanan, General Secretary Jiang Zemin said that in carrying out investigation and study away from Beijing on the eve of the 40th anniversary of the founding of the state, I naturally thought of visiting Yanan, the sacred place of the revolution, when considering where to visit. The people of Yanan and northern Shaanxi made tremendous sacrifices and contributions for the Chinese revolution during the anti-Japanese war and the liberation war. Many of our outstanding leaders and backbone elements were cultivated in Yanan. We should not forget the past, and still less should we forget the people in the old liberated areas.

Yanan, located on the Loess plateau, suffers from poor natural conditions. For various reasons, it has been rather poor for many years. On this visit, I want to convey to the people of Yanan the concern and comfort from the CPC Central Committee and State Council. Through visiting the people of Yanan, I want to convey the cordial regards of the party and people for the people in old liberated areas throughout the country.

General Secretary Jiang Zemin is extremely concerned for the livelihood of the people in the old liberated area of Yanan. He inspected peasant households that had extricated themselves from poverty and become rich and also called on relatively poor peasant households. In Miaogou village of Zaoyuan township, which has already changed from poor to rich, the general secretary climbed the mountain to view the [words indistinct] orchards, and also [words indistinct] peasants with incomes exceeding 10,000 yuan. In the relatively poor (Xiangyang) village of (Wanfang) township, the general secretary [words indistinct] in the poor home of (Wu Jinghai). When he heard that this peasant and his two sons were suffering from eye disease, could hardly work, and were encountering difficulties in livelihood, the general secretary [words indistinct] supporting and helping him.

While in Yanan, the general secretary concentrated on inspecting and finding out about local agricultural production. After listening to reports on work in the prefecture and city, he said that we must never forget the idea of regarding agriculture as the foundation and that food is all-important to the people, otherwise, the problem of feeding our 1.1 billion people will be a big one. At present we must get a good grasp of autumn reaping and sowing and strive for a bumper harvest.

On 11 September, he made a special visit to Nanniwan where there are green hills and clear water and the air is heavy with the aroma of paddy fields, just like south of the Chang Jiang. He saw the place where the 359th brigade had launched a mass production campaign in the past. The granary built at that time was recently

expanded. He told Zhuang Boxing, secretary of the provincial party committee, and Bai Enpei, secretary of the Yanan prefectural party committee, who were accompanying him: The mass production campaign is not only something of the past. We should bring this kind of spirit into still greater play today. Chairman Mao said: We ourselves must get to work in order to have ample food and clothing. All the people in the border region set to work during the mass production campaign, and there was plenty of food and clothing. Today, we will definitely be able to continuously develop China's agriculture so long as all of us set to work.

Comrade Jiang Zemin constantly paid attention to the issue of party building during his inspection tour in Yanan. Wherever he went, he always asked questions such as how many party members are there in the villages, how often do party members meet each other for organizational life activities, and do party members play their exemplary role well? In Miaogou village of Zaoyuan township, he heard that the 19 party members there all play a model and vanguard role and the party branch enjoys high prestige. He said that quality in party building is very important; we must not just attach importance to quantity. Quantity without quality is useless. Only 30,000 Red Army soldiers reached Yanan at the end of the Long March. These 30,000 served as revolutionary seeds; they became a gigantic force and defeated the 8 million-strong Kuomintang Army after flowering and coming to fruition throughout the country. That is why we say that the quality of the party members is very important. We must build the party's grassroots organizations well and give full scope to the the fighting force role of the party's grassroots organizations and the vanguard and model role of the party members.

In Yanan, Comrade Jiang Zemin met with many veteran comrades who were attending a discussion meeting on promoting economic development in the old liberated areas of northern Shaanxi. He also made a speech at the meeting. He called on the party organizations and government departments at all levels to regard the task of helping the people in old revolutionary bases, areas inhabited by minority nationalities, and backward border areas to extricate themselves from poverty and become rich as an important political and economic mission. He hoped that in the course of eliminating poverty, becoming rich, and ending backwardness, all localities will carry forward the Yanan spirit. He called on all localities to change the practice of helping poor people through relief work into a new practice of helping poor people extricate themselves from poverty through economic development.

After he completed his visit to Yanan, General Secretary Jiang Zemin went to Xian. Accompanied by Zhang Boxing, secretary of the provincial party committee, and Hou Zongbin, governor, he inspected textile mills, electrical machinery plants, [word indistinct], aircraft factories, and schools, and listened to a report delivered by

the provincial party committee. He met veteran comrades working in Shaanxi, and made an important speech on current work.

When inspecting Jiaotong University, the general secretary cordially called on those teachers who taught him before and also received student representatives. He encouraged the students to show respect for their teachers and study hard. He hoped that the school leaders and teachers will treat the students with sincerity and enthusiasm and also put strict demands on them, and do a good job in training the young students, on whom the hopes and the future of the motherland depend.

On the afternoon of 14 September, concluding his inspection of Shaanxi, Comrade Jiang Zemin returned to Beijing. He was accompanied on his tour by Gan Ziyu, vice chairman of the State Planning Commission; Liu Jiang, vice minister of agriculture; Zeng Qinghong, deputy director of the CPC Central Committee General Office; and (Yang Zhongde), deputy leader of the State Council's leadership group for economic development in poor areas.

Tian Jiyun Inspects Hebei Province 8-14 Aug

SK0709033789 Shijiazhuang HEBEI RIBAO
in Chinese 15 Aug 89 p 1

[Text] Accompanied by Provincial Vice Governor Zhang Runshen and others, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, inspected Xinglong, Luanping, Longhua, Weichang, Guyuan, Zhangbei, and Weixian of Chengde and Zhangjiakou Prefectures; Zhangjiakou City; and Saihanba forest farm, Yudaokou livestock farm, Guyuan livestock farm, Chabei livestock farm, and the Zhangbei hat plant of our province from 8 to 14 August. He heard work reports given by the prefectures, cities, counties, and forest and livestock farms he visited, and went everywhere to visit peasant households and learn on the spot how agriculture, forestry, and animal husbandry had been developed in mountainous and plateau areas. He climbed to the top of a mountain in Huanggaizhuo of Guyuan County to observe the well-planned strips of forests supported by wells and farmland. Seeing the green and elegant strips of forests, Comrade Tian Jiyun said to everybody: "Forests can conserve water and soil, as well as moisture. With trees, grassland will not become sandy or alkaline. When we look from a long-term interest, forestry creates more benefits than animal husbandry."

Speaking on rural reform, Tian Jiyun pointed out: China's rural reform has been successful, and has ensured enough food and clothing for the peasants. Such an achievement has attracted worldwide attention. We should continue to encourage and advocate the contract system, and particularly develop the contract system among large households individually, and among households jointly. We should continue to improve the problems in the system, but should never waver in instituting

the system. We should advocate and encourage large-scale production. In particular, we should actively experiment with large-scale production in newly developed hilly areas and beaches that had been left uncultivated.

In Xinglong County, speaking on making use of the advantages of mountainous areas to greatly develop forest products and fruits, and actively develop the resources of chestnuts and hawthorn fruits, Tian Jiyun said: You have been correct in taking the road of leading the development of mountainous areas by developing fruit trees. It is your advantage to have many mountains, where forest products and fruits amount to a larger proportion. In particular, chestnuts and hawthorn fruits are your competitive products, and you should develop this advantage. In the development of forest products and fruit production, you should conduct study of the intensive processing of products, and pay attention to developing lateral cooperation with Beijing, Tianjin, and other large cities in order to promote the processing industry through the cooperation, and facilitate your development through the processing industry. Only through comprehensive efforts in tackling problems and development, can mountainous areas eliminate poverty and achieve prosperity as quickly as possible. In Luanping County, speaking on agricultural development, and strengthening agriculture, which is the foundation, Tian Jiyun said: The focus of agricultural development in mountainous areas is to develop uncultivated hilly areas and beaches. While developing forest products and fruit production, we should pay attention to never neglecting grain production. The development of grain production should be based on increasing per-unit yields, and not on expanding grain acreage. We should never develop grain areas by destroying forests or grassland. In strengthening agriculture, which is the foundation, we should focus on increasing agricultural input, including the input of funds, and science and technology. Currently, the supply of water and fertilizer is an important matter concerning the increase of per-unit yields. We should pay particular attention to it, and advocate application of farm manure.

During discussions with provincial, prefectural, and county leaders, and comrades of forestry and animal husbandry departments on ways to develop and improve the plateau area, Tian Jiyun said: The plateau area is an important area to protect the natural environment of Hebei Province as well as Beijing and Tianjin. How this area is developed and improved not only concerns whether the economy of this area can flourish, and whether its people can eliminate poverty and achieve affluence, and gradually become comparatively well-off, but also concerns the ecological environment of the entire province as well as Beijing and Tianjin, and the social environment on which the people rely for existence. Therefore, it is a very important issue which principles, policies, and measures we should adopt toward the plateau area.

What is the better way to develop and improve the plateau area? After summarizing the experiences and lessons in improving the plateau area, Tian Jiyun

pointed out: The plateau area should take the road of basing the emphatic development of forestry and animal husbandry on agriculture (mainly grain production). To be specific, it should integrate agriculture, forestry, and animal husbandry, and pay close attention to building forests and grassland, and develop animal husbandry while actively stabilizing and developing grain production. In this way, it will be able to combine the short-term interest of the people with their long-term interest, and use the former to support and seek the latter.

Speaking on how to expedite the development and improvement of the plateau area, Tian Jiyun pointed out: Judging from long-term interest, it should have correct policies, and more effective measures. It may conduct further study of these policies and measures. At present, the following issues should be resolved. First, stable- and high-yielding farmland should be built. It should rely on large-scale increase of per-unit yields to increase grain output, raise its level of self-reliance in grain supply, and even achieve surplus in the future. In this way, the areas suitable for developing forestry and grassland can be turned into forests or grassland. Second, the development of forests should be combined with the development of grassland, and they should condition and promote each other. With forests, water and soil can be conserved, grassland can be prevented from becoming sandy and alkaline, and grass will grow elegantly for grazing. Third, water conservation projects should be developed. For building stable- and high-yielding farmland, and achieving substantial development in forestry and animal husbandry, fertilizer and seeds are the conditions, but the greatest restricting factor is water. If problems in water supply are not solved, fertilizer and seeds will not perform their functions. Chairman Mao said: "Water conservancy is the lifeline of agriculture." This is the truth.

Tian Jiyun stressed: The development and improvement of the plateau area is an important task. We should regard it as a project, organize relevant experts to conduct study and appraisal, work out specific plans, and carry them out in a well-organized and planned manner. He pointed out: The Saihanba forest farm should be further built and managed well; combination of forestry with animal husbandry may be applied at Yudaokou and other livestock farms; and the various counties in the Chengde and Zhangjiakou plateau area should build greenbelts focusing on forests and grassland while stabilizing and developing grain production, and this will lead to a great development of animal husbandry. To successfully carry out this work, we should 1) rely on the masses, which is the most important, 2) have the support of the state (including governments at various levels), 3) have the input of science and technology, and greatly apply the contract system to scientific and technological work, 4) give prominence to key fields by selecting key areas and key trades, achieving breakthroughs in them with concentrated efforts, and carrying out projects gradually one by one in one area after another to make them

coordinated, and 5) carry out all projects under unified plans and leadership, and not in a chaotic manner, to serve the overall interest.

Tian Jiyun pointed out meaningfully that building greenbelts in the plateau area is a great cause benefiting the coming generations, which creates not only economic but also ecological and social benefits.

During the inspection, Comrade Tian Jiyun also visited the cemetery of martyr Dong Cunrui in Longhua, and a memorial to the Soviet and Mongolian martyrs in Zhangbei.

Li Peng Addresses Children's Work Forum

HK0709115389 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 7 Sep 89 p 1

[Article by Li Peng (2621 7720): "The Whole Society Should Show Concern for the Healthy Growth of the Coming Generation"]

[Text] Comrades, on the occasion of the approaching 1989 teachers' day, it is a very significant thing for the All-China Women's Federation and the National Coordination Committee on Children's Work to hold the National Forum on Quality Birth, Upbringing, and Education. I am very glad to have the opportunity to attend this forum today. I would like to say a few words to express the concern and attention of the CPC Central Committee and State Council to this work.

Children are the hope and future of the Chinese nation. To build China from a developing country with a large population to a prosperous and strong socialist country, we need the arduous efforts of the first generation as well as the unremitting efforts of the coming generations. The purpose of advocating quality birth, upbringing, and education is to create the necessary conditions to train the new generation into people with lofty ideals, moral integrity, better education, and a sense of discipline. This is required for upgrading the qualities of the nation and for the prosperity of our socialist motherland. Those who are children today will move toward society and throw themselves into various fronts of socialist construction in the next few years, 10-odd years, or 20-odd years. In the early 21st century, the important historical tasks will inevitably be placed on the shoulders of the coming generation. For this reason, comprehensively discussing and finding out how to strengthen child work in the new situation is a matter of strategic significance which should draw the attention of party committees and government at all levels and the support of society as a whole.

The study of quality birth, upbringing, and education means conducting a study on how to bring up babies, children, and teenagers from their birth, upbringing, and education. This is a comprehensive undertaking transcending departments and branches of learning. It is a branch of learning never mastered by our ancestors before. Since the PRC founding, we have eliminated

many infectious and epidemic children diseases under the profound concern of the party and government. The mortality rate of babies has dropped drastically, people's living standards have improved markedly, and most of the children and teenagers are growing healthily. Nevertheless, there are still many problems in quality birth, upbringing, and education work in China. It is absolutely necessary and urgent to discuss the matter and draft relevant policies.

The work of bringing up babies, children, and teenagers is a social undertaking involving thousands upon thousands of households and closely related to the people's interests. Regarding the outdated views on birth, upbringing, and education, it is necessary to popularize scientific knowledge so that the broad masses will gradually foster the view of quality birth, master the method of quality upbringing, and correct their education thinking. Apart from ensuring children's health and enabling them to grow healthily, all parents, kindergartens, and schools should take particular note of fostering children's moral character and behavior. We should carry out educational, ideological, and moral education among children in light of their characteristics. There are many only children in China. How to educate these children is indeed a new topic for kindergarten teachers. Instead of spoiling and accommodating children, parents and teachers should bring them up with loving care. From their childhood, we should teach them how to help each other, cherish the collective, and love the motherland. Families, schools, and the whole society should cherish children, educate them, do things for them, and set an example. Party committees and government at all levels should attach great importance to quality birth, upbringing, and education work. The medical, commercial, and production departments should take note of the health of babies, children, and teenagers and pay close attention to the production of children's food, toys, and daily necessities. The education departments should earnestly implement the "Compulsory Education Law." The literary, art, and propaganda departments should produce outstanding spiritual food for children and provide them with more decent books, periodicals, audio and video products, and toys catered to their needs. The government at all levels must exercise strict management and resolutely check the practices that maltreat children and encroach upon their legitimate rights. If the case is serious, those involved should be sternly punished according to law. The whole society should fight against such unhealthy practices.

Comrades, the task of quality birth, upbringing, and education is arduous and there are many difficulties. The State Council has decided to establish a leading group to coordinate the work concerning women and children. To strengthen leadership over this work and give guidance, we will invite leaders and experts of relevant departments to join the group. Party committees and government at all levels, every family, and society as a whole should attend to their own duties and make concerted

efforts. I believe that greater successes will certainly be achieved in our quality birth, upbringing, and education work.

Thank you.

Further on National Day Activities

Statue Planned

HK0809023789 Hong Kong HONGKONG STANDARD in English 8 Sep 89 p 1

[By Cheung Po-ling in Beijing]

[Text] Chinese National Day organisers have given the go-ahead for a statue of workers, farmers, soldiers and intellectuals to be erected in Tiananmen Square—on the spot where the Goddess of Democracy once stood.

In a press conference restricted to Beijing reporters yesterday [7 September], a spokesman for the office organising the anniversary celebrations said "martial law troops will celebrate together with the Beijing people", a hint that martial law may be lifted on October 1.

The Goddess of Democracy, which won the hearts of many Beijing people during the pro-democracy movement, was torn down by the Army during the crackdown on June 4.

The new statue, which will also be toppled after the celebrations, will be built by a group of fine arts students from the Central Academy of Arts where the goddess was also built.

In a bid to ease the tense atmosphere in Beijing, foreigners will be allowed to visit Tiananmen Square on September 14, the mid-autumn festival, but locals will still be forbidden from entering, for security reasons.

On the evening of National Day, a spectacular firework show will be staged in the square.

A team comprising about 500 Beijing university students, mostly from Qinghua University, will attend the gala.

Though the celebration programme is designed to restore public confidence in the government and convince the outside world it is business as usual in Beijing, many foreigners are unimpressed and are planning to snub the festivities.

THE HONGKONG STANDARD learned yesterday that some U.S. companies which have offices in Beijing have discouraged their expatriate employees from joining in the National Day celebrations in case there is trouble.

An expatriate official of the Epson Chemical Company said some local friends had warned him that it was safer to stay away from the capital on October 1.

"They hinted there might be something unusual happening on that day.

"Anyway I am going to leave next week and come back after the celebration," said the official, who refused to be named.

"If we had some expatriate friends staying in the capital at that time, we would also ask them to stay at home and refrain from joining the crowd," he said.

The corporate security department of a US telephone company has also warned its staff members in the United States not to travel to China for the anniversary.

But an employee of the IBM corporation told THE HONGKONG STANDARD that her company had no plan to issue any stay-away warning.

"I believe the management do not think the situation would turn out to be so bad that such advice is needed," she said.

'Grand Gala' Scheduled

*OW0709230989 Beijing XINHUA in English
1520 GMT 7 Sep 89*

[Text] Beijing, September 7 (XINHUA)—Beijing will hold a grand gala to mark the 40th anniversary of the country's national day on October 1, an official in charge of the preparations said today.

The celebration will not include a military review or organized parade. Instead it will focus on various public get-togethers, the official said.

A grand gala celebration by over 100,000 people will enliven Tiananmen Square on the evening of October 1, when professional and amateur theater troupes will present performances and the public will dance in groups.

Four one-hour fireworks displays featuring 120 varieties of fireworks will be presented on the square. The official said fireworks displays will also be held at eight other locations in and around the city.

Mass celebrations by 200,000 people will be held in six parks, including Zhongshan Park and the Working People's Palace of Culture which are near Tiananmen Square. Thirty-one theater troupes will entertain the public in the parks.

The city is busy preparing for the forthcoming celebration. Shops have 30 percent more goods than on other national days to ensure a grand holiday.

Gardeners have already begun to set up flower displays on Tiananmen Square, along avenues and at major intersections. More than one million potted flowers will be displayed around the city this year, the official added.

Residents have shown strong interest in the national day activities. Many work [word indistinct] have started to

teach group dancing and some units have complained of an inadequate quota for their employees desiring to take part in the Tiananmen Square celebration, the official said.

A large number of foreign guests and overseas compatriots from Taiwan, Hong Kong, Macao and foreign countries have expressed interest in the national day celebration.

The reviewing stands at the square, able to accommodate 10,000 people, have been renovated, and a temporary reviewing stand able to hold 5,000 people will also be built by then, the official said.

Frugality Stressed

*OW0709152889 Beijing Domestic Service in Mandarin
0930 GMT 7 Sep 89*

[From the "National Hookup" program]

[Text] The people in the capital will celebrate the 40th anniversary of the founding of the People's Republic of China amid a solemn, enthusiastic, simple, frugal, and economical atmosphere. Preparations for celebrating National Day have been made. Various work is being carried out in an active manner.

A reporter of this station today learned from the leading group in charge of activities for National Day celebrations that activities by the masses at the grass-roots level will be the main events in celebrating this year's National Day in the capital. The masses of people will express their happy feelings through versatile and colorful activities.

During the National Day celebration period, some 1 million flowerpots will be placed at Tiananmen Square, main streets, and intersections in the capital to form various flower patterns.

On 1 October, the 40 public parks will open for visitors free of charge. Celebration activities will take place in Zhongshan Park, the Working People's Cultural Palace, and four other main public parks. Performances will be given by 31 specialized cultural and art groups in addition to some 500 activities, including report meetings, exhibitions, and an aircraft models demonstration. More than 100,000 people in the capital will take part in a grand gala celebration of fireworks at Tiananmen Square on the evening of 1 October. People of various circles can enjoy a demonstration of the most grandiose fireworks since the founding of the People's Republic while singing and dancing to celebrate the occasion at the square, Beijing Workers' Stadium, Taoranting, and six other places will set off fireworks at the same time.

Tiananmen Square will be open in an organized manner during the National Day celebration period. Activities to be held include an exhibition of flowers and plants, a concert of famous Chinese and foreign songs, and flying kites.

Ministry Lists Corruption Punishments

OW1209183889 Beijing Domestic Service in Mandarin
0930 GMT 12 Sep 89

[From the "National Hookup" program]

[Text] The Ministry of Supervision recently announced implementation measures for provisional regulations governing disciplinary sanctions against corrupt state personnel.

The implementation measures stipulate that state personnel penalized on charges of graft, embezzlement, or bribery and yet, exempted from prosecution or criminal sanction according to the law, will be disciplined in the following manner:

1. State personnel given set terms of imprisonment will be discharged from public employment except for those with temporary suspension of the execution of their sentences.
2. State personnel given suspended punishment will be automatically stripped of their posts. Those that behave badly during the suspension of punishment will be discharged from public employment.
3. State personnel given criminal detention will be automatically stripped of their posts and will be discharged from public employment at the end of their detention unless their retention is approved by higher competent authorities.
4. State personnel given fines and forfeited of their properties while exempted from prosecution or criminal sanction according to the law, will be either stripped of their posts or discharged from public employment.

The implementation measures also stipulate that state personnel who bribe or tip others to bribe and thus severely damage state interests will be either stripped of their posts or discharged from public employment. Those whose bribes amount to more than 1,000 yuan will be either demoted or stripped of their posts. Those whose bribes amount to more than 500 yuan and less than 1,000 yuan will be either given a major demerit or demoted. Those whose bribes amount to less than 500 yuan will be given a warning up to a major demerit.

The implementation measures also specifically define concepts such as: make use of the convenience of one's capacity, gift, punish severely, punish leniently, commute to lesser penalty, exempt from penalty.

In a related report, 722 people confessed their offenses to supervisory agencies as of yesterday since the Ministry of Supervision issued the notice urging state personnel engaging in graft and bribery to turn themselves in and confess their offenses within a set period of time. They admitted 5,567,200 yuan in illegally-obtained money and surrendered 5,156,600 yuan of it. A number of illegally-obtained goods were also confiscated, including sedans, motorcycles, gold rings, gold chains, watches, etc.

Article Highlights 1957 Deng Xiaoping Report

HK0809141089 Beijing RENMIN RIBAO in Chinese
25 Aug 89 p 6

[Article by Zhong Jiwen (6988 4949 2429): "Supervision: An Important Issue in Building a Party in Power—What I Have Learned from Comrade Deng Xiaoping's Article Entitled 'The Communist Party Should Accept Supervision'"]

[Text] In his report delivered at a cadres' meeting in Xian on 8 April 1957, in light of the new situation whereby our party had become a party in power, Comrade Deng Xiaoping put forward and penetratingly expounded the contention that the party and party members should accept supervision. This important speech has been published in the "Selected Works of Deng Xiaoping (1938-1965)" under the title "The Communist Party Should Accept Supervision." The publication of this report is of great importance in implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee, strengthening party building, giving play to the leading role of the party, and ensuring a long period of stability and tranquility for the state.

The Party Should Accept Supervision If It Wants To Successfully Exercise Leadership

The CPC is the true representative of the interests of the people of various nationalities and the force at the core leading the people in developing the socialist cause. This has been proved by our party's history during the past 60 years and more and there is no doubt about it. But why should we put forward the contention that the Communist Party should accept supervision? It is because accepting supervision is an important condition in adhering to and improving party leadership. The act of putting forward this contention is a demonstration of approaching the party's development with a Marxist stand and attitude and an expression of the confidence, strength, and maturity of the party. Judged only from this angle we can already see that Comrade Deng Xiaoping's exposition on the importance and necessity of accepting supervision by a party in power was farsighted and sagacious.

Our's is a Marxist party serving the people wholeheartedly and having extensive relations with various external progressive forces. During various historical periods the argument about accepting both internal and external supervision has always existed within the party. Before seizing state power the party was generally in a position of being oppressed and suppressed. The cruel and vicious environment made our party very prudent in handling things. Although the argument about supervision was also very important at that time it was not as prominent as it is today.

Since liberation, and as fundamental changes have taken place in the party's position and environment, our party has been faced with the test of being the party in power

and the question of supervision has become more important. The Eighth CPC National Congress made a profound exposition on this problem, pointing out: The position of a party in power can easily cause some comrades to become tainted with bureaucratism and arrogant. There is thus a greater danger of divorcing ourselves from the reality and from the masses. In his report Comrade Deng Xiaoping further points out sharply: "Our party is a party in power with a high prestige. A large number of our cadres are in leadership positions. In China, who is most likely to make big mistakes? It is the CPC, and its mistakes also have the greatest influence. Therefore, it is especially necessary for our party to maintain vigilance."

This is actually the fact. Because the Communist Party is in the leading position in all fields of work in our country, and many Communist Party members hold leadership posts in various fields, all their activities will inevitably and greatly affect the political life of the state and society. Facing the new and heavy task of realizing socialist modernization, many problems have to be further explored. However, because our experience is insufficient it is hard to avoid certain limitations in our understanding. In addition, since we have won victory and our position has changed we can easily be satisfied with our past achievements and become arrogant. If Communist Party members, especially those holding leadership posts, are not prudent and no longer show respect for the opinions of the masses and people outside the party, and if they lose vigilance against flattery by some people and reject sharp criticisms and suggestions from the masses, they will surely be divorced from the masses, look at things one-sidedly, and even make big mistakes.

We must realize that the fact the party is in power does not mean that all party organizations and all party-member leading cadres are qualified for their leadership posts. The party must make great efforts if it wants to successfully exercise leadership and stand the test of being in power. For this reason, after summing up the profound experiences and lessons of the Communist Party as a party in power, Comrade Deng Xiaoping pointed out: "Whether the Communist Party is qualified for leadership is decided by the party's ideology and style." Our practice during the past many years shows that provided our party and party members are not divorced from the masses, accept supervision, modestly learn from the masses, and work continuously, they will surely be able to lead the construction of socialist modernization smoothly, just as they did in the past in leading the revolutionary war toward victory. In the new historical period, whether or not the party and its members can accept supervision and always maintain the advanced nature of the Communist Party while adhering to their purpose of serving the people whole-heartedly is a matter concerning the party's image, prestige, and leadership position. All party comrades must look upon this question from the high plane of being a party in power and should never treat it lightly.

The Question of Supervision Is Also a Question of Democracy

Supervising the Communist Party means supervision from both within and without. Internally this includes supervision of all Communist Party members by the party organizations at all levels and the supervision of party organization leaders at all levels by the broad masses of party members in accordance with the party constitution. The basis is the supervision of the Communist Party by the broad masses of people and various democratic parties and the supervision of party organization leaders at various levels by the broad masses of party members. In this sense, the question of supervision is also a question of democracy. It was based on this viewpoint that Comrade Deng Xiaoping clearly pointed out in his speech at the Eighth CPC National Congress: "The key problem in supervision either from inside the party or from outside is to promote the democratic life of the party and the state and to develop our party's traditions and styles." In this speech he also closely related supervision with the development of democracy, saying that the development of socialist democracy is a basic channel for realizing supervision. Therefore, in order to successfully carry out supervision it is first necessary to attach great importance to the development of socialist democracy and solve the problems concerning the understanding of democracy. For a considerably long time some party leading cadres have failed to gain a clear understanding of democracy and have many confused or wrong ideas on the question of supervision. This problem must be properly solved.

"It is comfortable to give orders and convenient to act arbitrarily." This is an erroneous idea and work style criticized by Comrade Deng Xiaoping in his speech. However, this idea still finds support among some people even to this day. A comparatively common mistake is to set various responsibility systems of chief leaders against party leadership and supervision and against the policy of relying on the working class and the masses of people, and to wrongly hold that supervision by the party and the masses may obstruct the centralized command and policy making. We must admit that carrying out command and making policy decisions in a centralized and unified manner is an objective demand of our times. Negating the authoritative nature in this respect means negating the system of democratic centralism. At the same time we must also admit that in the construction of socialist modernization we not only need centralized command and policy making but also demand correct and scientific methods of command and policy making. If we make mistakes in this respect we will surely suffer great losses. By strengthening supervision by the party and by the broad masses of people the leaders will be able to attain quick information and become less rigid in their thinking. The problem of one-sidedness in policy making can also be solved. Supervision may also help mobilize the initiative of the masses so that they can put forward more and better suggestions and implement the leaders' decisions and plans more efficiently. If it is interpreted that within the

leaders' responsibility system one can use one's power arbitrarily without supervision by others and can reject the criticisms and suggestions of the party and the masses and act as one sees fit, then mistakes will surely be committed. It is therefore necessary to carry out education in the Marxist concept of history and in socialist democracy for the whole party, especially for party organizations and leading cadres at various levels, so that the sense of democracy can be enhanced within the party and a solid ideological foundation can be laid for improving supervision.

"Supervision binds our hands and feet and is aimed at picking out our faults." Some leading cadres look upon things with this attitude which is a kind of one-sided and confused understanding of supervision. An important task of supervision is to criticize and accuse leading cadres over their shortcomings, mistakes, unhealthy tendencies, and illegal practices. It is demanded of all leading cadres that they conscientiously listen to criticism, accept supervision, and correct their mistakes. The purpose of strengthening supervision is to cause the leading cadres to work more prudently and prevent and correct wrong practices which deviate from the interests of the party and the people, so that they do not grow into big mistakes. This is good for the leading cadres. Moreover, through supervision leading cadres may extensively and constantly heed the opinions of various quarters and mobilize all positive factors so that they do their work better. This is also good for all leaders. Supervision can perform the function of exposing problems, correcting mistakes, preventing possible trouble, restraining negative factors, and of developing positive factors. Our comrades must gain a full understanding of the intensive meaning and significance of supervision, sincerely welcome it, and voluntarily accept it.

"Supervision can easily cause trouble." Some party comrades have such misgivings but strengthening supervision is an important aspect of developing democracy in our party and an important expression of our party's mass line. We always attach great importance to the development of socialist democracy but we do not agree with the so-called mass democracy that departs from socialist legal procedures. We are against the practices of making trouble and creating turmoil under the slogan of democracy because this kind of mass democracy undermines the normal order of production, work, and daily life, sabotages the normal inner-party political life, and does great damage to the social productive forces. How then do we prevent this kind of mass democracy and turmoil? An important way is by developing democracy. When the masses of people are able to exercise their democratic rights, air their views regularly, carry out supervision over the party and party members, and participate in the management of the state and society, their sense of responsibility as masters of their own houses can be aroused. Even when there are difficulties and when some matters are not handled appropriately, they will be able to achieve a common understanding, make concerted efforts, and continue to advance. On the

contrary, if we suppress democracy and practice commandism, the enthusiasm of the masses will be dampened and their grievances and dissension trend will grow. At the same time social contradictions may also be sharpened. This is a major factor for trouble and turmoil. In his report Comrade Deng Xiaoping repeatedly expounds these relations. There are complicated and diverse reasons for trouble and turmoil in our society. Practice has proved that when socialist democracy is vigorously developed and supervision of the party and party members is strengthened, a solid foundation can be laid for a long period of stability and tranquility in our country and our society. We must understand the problem in this way.

It Is Important To Make Sure Supervision Is Enforced

Soon after seizing state power our party raised the question of supervising a party in power and worked out many concrete methods and measures for implementation. After the 3d Plenary Session of the 11th CPC Central Committee, and in view of the bitter lessons learned during the "Great Cultural Revolution," our party again put the question of developing democracy and accepting supervision on the agenda. It has done a lot of work since then and has achieved certain successes. However, for various reasons, including deviations in the guiding ideology of some party leaders on the question of supervision, there are still many problems. For example, due to the weak sense of supervision and impeded channels of supervision, the roles of supervisory organs cannot be brought into play and the supervision system is backward. In order to sum up past experiences and lessons and make sure that supervision is enforced it is necessary to study and solve the following problems:

It is necessary to carry out inner-party supervision. Comrade Deng Xiaoping pointed out that to all Communist Party members, supervision by the party is the most direct supervision. The party's life must be strict. This means that the supervision of party members must be strict. A strict organizational life and discipline is an expression of the superiority of our party and a basic guarantee for the victory of our revolution and construction. However, for a period of time in some party organizations the organizational life and discipline were relaxed. Some leading cadres especially did not attend inner-party organizational activities or took an indifferent attitude toward them. Some even placed themselves above the organization and refused to accept the party's supervision. With not being under supervision for a long time the unhealthy tendencies among some leading cadres were not eliminated in the embryonic stage. When their problems were finally exposed they had usually become big mistakes and had already had a very bad influence in society. Both history and reality tell us that it is necessary to resume the seriousness of the party's organizational activities and exercise strict inner-party supervision over all party members, especially party leading cadres. The party constitution stipulates that in the party "there should not be any special

members who do not participate in the party's organizational activities and do not accept the supervision by the masses both inside and outside the party." All party-member leading cadres, including senior leading cadres, are first of all, party members. Accepting supervision should become their conscientious action. It is also their duty and responsibility as prescribed by the party constitution. All party members are equal before the supervision of the party. Thinking that one can refuse supervision by the party because one is in a high leadership position is harmful to the party and also to oneself. In order to exercise supervision over party members, while setting strict demands on the party's life, it is also necessary to strengthen the functions of the party's supervision organs and entrust them with the necessary power corresponding to their responsibility so that their roles can be brought into full play. When talking about solutions to the problems of privilege and violation of discipline and law in 1980, Comrade Deng Xiaoping pointed out: "The most important thing is to establish a special organ to carry out impartial and incorruptible supervision and examination." The party's special supervision organs must effectively perform their duty of supervision, especially supervision over leading cadres at various levels. This is of great significance. Supervision is a very difficult job. However, if we can do it properly within the party we will surely be able to affect and promote supervision throughout society and achieve successes.

It is necessary to make continuous efforts to expand and unblock supervision channels. To make sure that supervision is enforced means ensuring that various levels in society have grasped the forms and channels of supervision. There are still not enough channels of supervision at present and the social supervision system is not perfect. This has affected supervision work. Some existing supervisory measures and systems have not played their due roles. In order to effectively enforce supervision it is necessary to solve the problems of the forms, channels, and concrete measures for supervision. In this regard, Comrade Deng Xiaoping emphasized in his report that it is necessary to expand the supervision by the masses and democratic parties. The masses of people are the masters of the socialist cause. It is decided by the nature and purpose of our party that the party should always accept supervision by the masses. We must do what we can to create a good environment and good conditions for the masses to carry out supervision. The relations between our party and various democratic parties, which are characterized by long-term coexistence, mutual supervision, sincerity, and sharing joys and sorrows, have been established in the long course of advance. The democratic parties are our party's sincere friends. We must adopt realistic measures to effectively give play to the roles of the democratic parties in the

field of supervision. In this way we will be able to make more scientific policy decisions and handle our state affairs better.

With society's progress the forms and channels of supervision must also be further developed. For example, we must attach great importance to supervision by the state power and administrative organs, by judicial organs, economic supervision such as auditing and so forth, and supervision by the press. The channels of supervision, which have proved effective through our practice over the past few years, such as dialogue, reporting offences to the authorities, and making public the course and results of handling affairs, have been highly appraised by society. They must be continued on the basis of summing up past experiences. Through our further efforts we must also gradually establish and perfect a supervisory system to cover all social spheres and strata. When we have unblocked the channels of supervision in various fields we will surely be able to take a firm step forward in this respect.

Supervision work must be systematized. It is necessary to work out relevant regulations and create a state and party system to ensure that strict supervision is enforced over party organizations and members. This is consistent thinking by Comrade Deng Xiaoping. Strengthening supervision is an important task in building a party in power and a basic task in building socialist democracy. Supervision must be strengthened either at the time we encounter setbacks and difficulties or when we are developing smoothly and have achieved successes. We must not enforce supervision only when problems occur and discard it when the situation improves. Leading comrades in important posts especially should never treat supervision according to their likes and dislikes and their personal understanding of it. To avoid this phenomenon it is necessary to have enforcement of supervision guaranteed by a system and to systematize supervision. In inner-party supervision, that is supervision by power organs, administrative organs, judicial organs, economic methods, the press, and supervision by the masses of people, there must be laws and regulations to abide by. There must be definite regulations and systems on: The content and form of supervision over party members, party-member leading cadres, and leading organs; the power of the masses of people in informing against, accusing, impeaching, replacing, and dismissing leading cadres; the power of the special party and supervisory organs in getting information, making suggestions, enforcing supervision, and handling relevant matters; and on the power and interests of both supervisors and supervised, so that randomness can be prevented while enforcing supervision. The supervisors must follow certain procedure and correctly exercise their supervisory power; and the supervised must accept supervision according to relevant regulations and should never violate the regulations and refuse to accept supervision. They are not allowed to retaliate upon the supervisors. Only thus can supervision become a successful practice in the political life of our party and state.

Deng's Report On Unhealthy Trends Outlined

HK0709114589 Beijing RENMIN RIBAO in Chinese
24 Aug 89 p 6

[Article by He Zhengwen (0149 2973 2429): "Political Commissar Deng Led Us in Winning Victories—Restudying Undesirable Trends in the Party Organizations in Southwest China"]

[Text] The "Selected Works of Deng Xiaoping" edited by the Central Literature Research Office and published by the People's Publishing House recently is a scientific work on Marxism-Leninism-Mao Zedong thought seeking truth from facts and integrating theory with practice. The "Selected Works" has in it important speeches and works by Comrade Deng Xiaoping from 1938 to 1965. Many of the pieces were studied in the past. Many of the speeches were personally listened to. Now, a restudy of them fills us with 100 percent greater affection. Comrade Xiaoping's report on "Overcoming Existing Unhealthy Trends Within the Party in Southwest China" has in particular attracted me. I have realized more deeply that this work carries lasting historic significance. It is also a very important work of guiding significance to us at present and in future in strengthening the ideological building of the party and maintaining and promoting the party's fine traditions.

In November 1949, as ordered by Commander of the Field Army Liu Bochong and Political Commissar Deng Xiaoping, the Third Corps of the Second Field Army acted in close cooperation with Army units nearby, annihilating more than 30,000 Kuomintang troops north of South Sichuan and liberating the important Southwestern area of Chongqing by taking advantage of the favorable situation. At that time, I was the commander of the 32d division of the Third Corps. Early in the spring next year, after our 32d division completed the task of guarding Chongqing, we were ordered to head for the Dazhu District to carry out the task of annihilating bandits, fighting tyrants, and establishing and consolidating the rural government. But flushed with national victory, some of the comrades in our ranks began developing an idea of seeking ease and comfort and enjoying themselves. They were unwilling to work as pioneers in border and remote areas involving hardships. They considered: "We PLA troops have liberated Chongqing. We should stay behind to enjoy an urban life." Some comrades sought special treatment in life. They wanted comfortable houses to stay in and were unwilling to move into those without electric lighting. Some party member cadres on the strength of their own deeds of merit stood aloof from the masses. They looked down upon those progressives outside the party. They were seriously affected with bureaucratism. Individual leading cadres especially could not stand the test of victory. They began to think and act in a degenerate manner. These problems greatly dented the party's prestige, hurt the party's power of rallying people, and seriously interfered with a change in the emphasis of

party work and the completion of the task of suppressing bandits and introducing the land reform.

To counter various problems that appeared ideologically within the party after victory, Comrade Xiaoping, guided by Chairman Mao Zedong's spirit on the conduct of the third rectification, summed up in his report experiences and lessons of the two preceding inner-party rectifications, with the whole situation in mind. He underlined the necessity and importance of the current rectification, as he said explicitly: "We are facing new areas with a population of 300 million. The cadres are also relatively scattered. Many problems are involved. With these problems unsolved, we cannot get ahead. So there must be a rectification." What was to be tackled mainly in the rectification? Comrade Xiaoping hitting the nail on the head pointed out: "One problem is closed-doorism on the united front. Another is the developing thought of degeneration." He considered that only by first starting with party cadres, especially leading cadres themselves in resolutely overcoming a quest for special treatment, corruption, and bureaucratism can we increase the party's power of rallying people and its militant power, unite the majority and break new ground in our work. He pointed out the extremely great importance of promoting the party's fine style, and stressed: Whether a proper foundation was laid for work in Southwest China depended on whether the Communist Party cadres' style was in order. "If the style is out of order with an improper foundation laid, there would be an endless source of trouble." He sternly criticized the problem of an indifferent attitude toward the masses, bureaucratism and degeneration appearing among a small number of party cadres. He further explained the necessity of upholding a united party front, as he pointed out: "If we should give up a united front, then the revolution would further suffer." If "80 percent of the people are not properly united, can we do the work well? Is the danger of 'small circle' mentality not obvious?"

Comrade Xiaoping also truthfully analyzed the causes of ideological degeneration. He urged that under a new situation, we must especially insist on strictly setting the party in order. He admonished all members of the party and leading party cadres to properly overcome all obstacles in achieving victory. In a critical time of a struggle to suppress bandits, the party committee of our division seriously transmitted and studied Political Commissar Deng's report. We deeply felt that Comrade Xiaoping linking Mao Zedong Thought with reality in Southwest China had paid close attention to important problems appearing within the party after victory. His report was the continuation and development of Comrade Mao Zedong's idea of party construction. We used Political Commissar Deng's report to unify thinking, and combined bandit suppression with rectification. Starting first with leading comrades, we educated all members of the party on the need to overcome pleasure-seeking and decadent thinking. Through education by passing on the report, the PLA units subjected some comrades to penetrating criticism and self-criticism—comrades involved

with the problem of ideological degeneration and lack of discipline. A comrade, who had performed great deeds of merit and who led a pleasure-seeking life after victory, said with feeling: "To be a Communist Party member, I must think of the people's interests all my life and fight amidst hardships all my life." The party committee of the division decided that all party members with serious acts of degeneration and corruption must be resolutely dealt with strictly in accordance with the rules of party discipline, no matter what meritorious services they had rendered. At that time, of a small number of top cadres in the corps, some were expelled from the party, some were subjected to a period of observation with party membership retained, or dismissed from given jobs, and some were put on record as having committed a serious offense. The current rectification was a source of great inspiration to Army units. A large number of party member cadres were saved. Many people outside the party saw that the Communist Party was sincerely serving the people. They consciously helped the party in starting its work. While dealing a big military blow to local bandits, our 32d division rectified and purified the ranks of party members ideologically and organizationally. It also got deeply involved with the masses, mobilizing family members of bandits and uniting progressives in upper levels. This resulted in four big and small groups of local bandits headed by Old Man Cao successively giving themselves up with their weapons. Up to September, a total of more than 42,000 unorganized and organized bandits in the Dazhu District were annihilated. The rural government was further consolidated. Later, I was transferred to be the chief of staff of the East Sichuan Military District. The 18th Corps of the Kuomintang Army that had defected in the Chengdu Battle after being transformed had been incorporated into the Army units of the East Sichuan Military District. The two generals, Commander of the 18th Corps Li Zhen and Deputy Commander Lu Chong, acted as deputy commanders of the East Sichuan Military District. In accordance with Political Commissar Deng's instructions on the essence of the united front being to unite the majority, I actively consulted with them in our work, soliciting their views. For a long time after, we still maintained friendly relations.

This report by Political Commissar Deng is now nearly 40 years old. But it still has great vitality. In former years of war, being involved with bureaucratism, special privileges, and indifference toward the masses would end in our being defeated by the enemy. At that time, a party member was meant to consciously suffer for the sake of the people and for the sake of revolution and even shed blood and sacrifice their own lives. Now the situation has changed. Our party has become the ruling party. Given 40 years of peace and 40 years of development, some comrades within the party have really failed to stand the test of running the government. Some comrades, who have survived bloodshed and everything, cannot stand the test of peace in a world of fresh flowers. They have been affected with decadent exploiting-class

ideas, worshipping money, putting money before principle, living in extravagance, practicing corruption, and sacrificing public interests for personal ends. This has made a serious dent in the party's authority. The party style and party discipline have suffered. The masses of people are extremely dissatisfied with this. Today, a restudy of this report can enable us to sum up the past and think of the future.

We can thus keep a clear head at all times, better upholding a style of leading a humble and simple life and seeking truth from facts and better rallying the masses around the party in a concerted effort toward socialist modernization.

Comrade Xiaoping embraced a consistent idea of getting rid of corruption. Whether in Shanxi-Hebei-Shandong-Henan or in Central China, especially after the victory, Comrade Xiaoping, in light of his personal experiences, laid great emphasis on the need to maintain and develop the idea or the work style of leading a hard and simple life and being humble and prudent, as advocated by Chairman Mao. He more than once taught us: A Communist Party member is meant to wholeheartedly serve people. He must therefore have a pure style. Comrade Xiaoping set strict demands on himself, seeking no special privilege in life. Shortly after the liberation of Chongqing, due to a long period of Kuomintang rule with the people reduced to poverty and everything in a mess, he specially stressed the need to make the most of the space of housing and rent out extra housing to add to national coffers. As the First Secretary of the Southwest Bureau of the CPC Central Committee and the Political Commissar of the Southwest Military District, he shared a dilapidated two-story house with Liu Bocheng, chairman of the Commissariat of the Southwest Military District, and Cai Shufan, chairman of the Southwest Federation of Trade Unions. He often told us: "As Communist Party members, we must put work first and should not be particular about enjoyment. We should understand that our life should not be different from the social standard." A certain unit took advantage of an airplane flight to carry hams. After knowing this, Political Commissar Deng immediately openly ordered the leadership of this unit to make a thorough self-examination. He severely dealt with the man in charge. Political Commissar Deng set still more exacting demands on high-ranking cadres. A cadre at the division level had rendered meritorious services in war. After moving into the city, he led a life of ease and comfort and degenerated, tarnishing the image of the party. He was at last expelled from the party. Today, given reform and openness, Comrade Xiaoping has said on many occasions to the whole party: Given no attention to the proper handling of an anti-corruption campaign, there would likely be ruin for some party member cadres. He repeatedly stressed that the key to the rectification of the party style lies in properly handling leadership cadres at all levels. At a conference of top party, government, and military cadres in November, 1979, he gave a report entitled "High-Ranking Cadres

Must Take the Lead in Promoting the Party's Fine Traditions." He sharply criticized a small number of leadership cadres for their lordly attitude as officials and their seeking special privileges and "isolating themselves from the masses and from ordinary cadres and even corrupting their own sons and daughters and family members—setting bad examples." He was very thorough and incisive in his remarks about preventing corruption, honestly serving the public, and promoting the party's fine traditions. After a decisive victory was achieved, in suppressing the counterrevolutionary riot, Comrade Xiaoping once again stressed: "This party should be taken care of. It will not do to leave it alone."

Today, as we study and enforce Comrade Xiaoping's report, "Overcoming Existing Unhealthy Trends Within the Party in Southwest China," we must first be fully enlightened ideologically, preserving a style of being honest and upright and guarding against degeneration. This is not just a basic requirement for a Communist Party member. Nor it is dictated by anyone's subjective will. It is instead a rigorous test for the Communist Party, which is leading China's cause of reform and openness, assuming the historical mission of China's socialist modernization, and facing the task of running the government and carrying out reforms. It is a natural demand arising from the party's historical mission and the duty of exercising leadership. It is a fundamental mark that distinguishes the party from all other political parties. We must fully realize that combating the phenomenon of corruption is a long-term and arduous task. At any time, a Communist Party member cannot be ideologically disarmed, cannot drop the ideological weapon of criticism and self-criticism, and cannot for a moment stop transforming his world outlook. Nor can the style of fighting amidst hardships be ever thrown away. Communist Party members and especially high-ranking party cadres must consciously receive mass supervision, take the lead in honestly serving the public and in fighting amidst hardships, and set personal examples to the masses of cadres and people at all times.

Comrade Xiaoping often reminded us: "There is nothing to lose but everything to gain, if we let the masses exercise supervision." Communist Party members take wholeheartedly serving the people as their supreme interest and have no other interests of their own. As to the power vested in us by the people, we must like Mao Zedong, Zhou Enlai, Deng Xiaoping, and other proletarian revolutionaries of the older generation forget not the sense of responsibility while wielding power and forget not our being public servants while in office. We must take honesty and uprightness as the essence of our own political life.

"Looking back over the past, we can see that a state or a family thrives through the practice of economy and languishes through lavish spending." In the new historical period, as we restudy this report by Comrade Xiaoping, we deeply feel that his ideas and viewpoints are highly theoretical and practical and have much to do with policy and relevant matters. It gives us the drive to

sweep away all obstacles. So long as we consciously and creatively bring these ideas to actual work, our party can forever retain vim and vigor, and our party member cadres can become public servants on whom the masses of people can rely.

Wang Zhen, Li Tiesing Receive Sports Delegates

SK0709044989 Shenyang Liaoning Provincial Service
in Mandarin 2200 GMT 6 Sep 89

[Text] On the afternoon of 6 September, just before the second national junior games opened, Wang Zhen, vice president of the state; Li Tiesing, member of the Political Bureau of the CPC Central Committee and state councillor; Huang Zhen, Standing Committee member of the Central Advisory Commission; and Liao Hansheng, vice chairman of the Standing Committee of the National People's Congress, received leaders of the 36 sports delegations from all over the country, and representatives of the delegates, and had a group picture taken with them as a memento. Present at the reception were Wu Shaoyu, minister, and Xu Yinsheng and Yuan Weimin, vice ministers in charge of the State Physical Culture and Sports Commission; Li Menghua, president of the All-China Sports Federation; Quan Shuren, secretary of the provincial party committee; Li Changchun, provincial governor; and Guo Feng, member of the Central Advisory Commission.

Jiang Zemin, Li Peng Praise Quality Control

HK0809013389 Beijing RENMIN RIBAO in Chinese
30 Aug 89 p 1

[Report: "Congratulatory Letter Sent by Jiang Zemin and Li Peng to the National Conference on Summing up Experience in Total Quality Control"]

[Text] It is our pleasure to learn the news of the calling of a national conference on summing up experience in promoting total quality control in the past decade. We give here our cordial regards to the delegates of the conference and, through you, to the broad masses of workers and technical personnel engaged in the work of quality control across the country.

Over the past decade in which China has promoted total quality control, enterprises have formed a better understanding of the importance of quality, and as a result have enhanced the quality of industrial products, with the technical capacities and quality of some products attaining international standards. The achievements have been tremendous. However, poor product quality and enterprises' low economic returns remain a serious problem in China's economic development. This should be brought to the attention of all departments, and effective measures should be adopted to remedy the problems.

The quality of a product is an index of the general standards of the various components that went into it. Product quality therefore is a work requiring the care

and support of the party and government. In the course of economic improvement and rectification and deepening reform, various governmental departments, and in particular those coordinating departments, should establish a healthy quality monitoring system, strictly enforce the policy of encouraging good enterprises and discouraging poor ones, and promote technical upgrading. They should vigorously propagate and promote the merits of total quality control, and help bring about a popular concern for quality control in society.

Jiang Zemin

Li Peng

25 August 1989

Li Tiesing Attends Family Planning Festival

OW0909202989 Beijing Television Service
in Mandarin 1000 GMT 9 Sep 89

[Text] The first national theatrical festival to publicize family planning was held in the People's Theater in Beijing last night. The programs presented in this festival were selected from among various local repertoires in China. The programs, reflecting the grim situation of China's population and our country's present population and family planning policies, included songs, dances, quyi [folk art forms, including ballad singing, story telling, comic dialogues, clapper talks, cross talks, etc], short dramas and local operas. By participating in the festival, many literary and art troupes and their members have understood the family planning work and created a large number of outstanding programs to publicize family planning.

Comrade Li Tiesing watched the performance.

State Council Decision on Duty-Free Goods Issued

OW0709170889 Beijing XINHUA in English
0939 GMT 7 Sep 89

[Text] Beijing, September 7 (XINHUA)—China will cut back some preferential treatment for government personnel going abroad on official errands in a bid to build a clean and honest government.

The State Council, China's highest governing body, decided to rescind a former customs decision that allows Chinese who are to stay abroad for more than three months to convert a certain amount of foreign currency and buy one item of duty-free durable consumer goods from abroad.

The new decision will go into effect from September 10.

According to the new decision, people who work in other countries for at least six months can bring back two items of tax-free consumer goods, one valued at a price above 500 yuan and the other over 200 yuan.

Those who remain overseas on duty for a long period can buy duty-free goods for a maximum of four years running.

This excludes technicians helping other countries in economic construction and laborers working on contracts.

Central Committee Commends Outstanding Units

OW0909123989 Beijing XINHUA in English
1154 GMT 9 Sep 89

[Text] Beijing, September 9 (XINHUA)—The Organization Department of the Central Committee of the Chinese Communist Party (CPC) has decided to commend its 390 grassroots units and 590 party affairs workers for their devotion to party work and their clean and honest spirit in combating corruption.

They include party and government officials and entrepreneurs in urban and rural areas, who have either made contributions to the country's economic reform and the opening to the outside world or led the masses in following the road of collective prosperity.

This was announced by Lu Feng, deputy head of the Organization Department of the Chinese Communist Party Central Committee, at a press conference here today.

"Quite a few grassroots party organizations have been taking a clear-cut stand and played an exemplary role in adhering to the four cardinal principles," Lu said.

A national conference making the awards will be held on September 20, he said, which is expected to help strengthen party building.

Computers Aid Student Enrollment

HK0709072189 Hong Kong TA KUNG PAO
in Chinese 7 Sep 89 p 1

[Special dispatch by TA KUNG PAO reporter Kung Shuang-yin (7255 7175 0603) from Beijing: "Beijing Colleges and Universities Tentatively Use Computers To Select and Enroll New Students for the First Time To Guarantee Fair Competition and Resist 'Entering by the Back Door'; the New Students of Beijing University Are Required To Be Trained in Army School for 1 Year"]

[Text] Beijing, 6 Sep (TA KUNG PAO)—A few days ago, colleges and universities in Beijing Municipality completed the enrollment of their first groups of students. All key colleges and universities have now signed and sent admission notices to some 5,000 candidates. Notwithstanding that the new students of Beijing University are required to be trained at the Shijiazhuang Army School for 1 year, there were many applicants. On account of very few applicants, some key colleges and universities in other places, including Zhongshan University, could only reduce the number of students to be enrolled in Beijing by several dozen. Teachers' training, agricultural, forestry, water conservancy, geological, and mineral colleges and universities which had "long-standing, big, and difficult" problems of student enrollment in the past have had even fewer applicants.

This year, colleges and universities in Beijing tentatively used computers as an aid in enrolling students. The names, numbers, marks, and options of the candidates for the entrance examination were put in the computers. The computers supplied the student-enrolling colleges and universities with a namelist according to the order of the marks. This guarantees fair competition among the candidates and can effectively resist unhealthy trends such as the "trend of issuing brief informal notes," "favoritism," and "entering by the back door." Beijing University of International Business and Economics is a popular school and has a lot of applicants like a flock of ducks. This year, the school enrolled 77 new students in Beijing. The names and marks of the first 80 candidates with first option were prepared by the computer and the school took from them 79 copies of the files of the candidates who had scored 510 and above and finally enrolled 77 candidates.

The number of students enrolled this year dropped due to the influence of the political disturbances. However, in the course of enrolling students, seven to eight schools increased the number of students enrolled by several dozen. There are also some colleges and universities which are applying for an increase in the number of students enrolled.

At present, the enrollment of the second group of students by colleges and universities in Beijing has already begun. This group of students are mainly new students of the general colleges and universities. After completion of the enrollment of the second group of students, the enrollment of the third group of students will begin and these students are mainly the new students of colleges for professional training. The entire student enrollment work will be completed on 22 September. All students will start registering with their schools in the beginning of October.

Radio Talk Reaffirms 'Two Systems' Policy

OW0709040289 Beijing in Mandarin to Taiwan
0205 GMT 20 Aug 89

[Radio talk by Wen Liang: from the "Rambling Talk on Current Events" program]

[Text] Dear listeners: How are you? My name is Wen Liang. I am happy to host the "Rambling Talk on Current Events" program for you.

Dear listeners, the quelling of the counterrevolutionary rebellion in Beijing not long ago has aroused strong reactions from people in all walks of life in Hong Kong, Macao, and Taiwan. Some people do not understand the quelling of the counterrevolutionary rebellion by the motherland's government, disagree with the motherland government's view on this question, and are even skeptical about the motherland government's principle of one country, two systems.

On top of that, a few people have seized on this issue to attack and slander this principle, and fundamentally

dismiss the feasibility of one country, two systems. As a result, some people in Hong Kong are worried that the motherland government may interfere in Hong Kong's affairs after 1997, and that it may end up with one country, one system. I have also noted that the mass media in Taiwan has also reacted in varying degrees.

Well then, has the principle of one country, two systems advanced by the motherland government changed? Dear listeners, here is my view:

Dear listeners, I think that the motherland government's principle of one country, two systems has not changed, and that neither will it change in future. Over the past few weeks Chinese leaders have repeatedly expressed their views on this matter.

On behalf of the Chinese Government, Ji Pengfei, chairman of the Hong Kong and Macao Affairs Office under the State Council, solemnly stated on 22 June that the principles and policies regarding Hong Kong and Macao formulated by the Chinese Government in accordance with the principle of one country, two systems will not change.

When Jiang Zemin, general secretary of the CPC Central Committee, met with Hong Kong and Macao personages Ma Man Kei and Leopoldo Tangmet at Zhongnanhai on 7 July, he again reiterated that the principles and policies regarding Hong Kong, Macao, and Taiwan formulated by China according to the principle of one country, two systems will not change.

On 8 July, the Hong Kong branch of the XINHUA News Agency held a discussion meeting of Hong Kong-based national, provincial, municipal, and autonomous regional people's deputies and members of the Chinese People's Political Consultative Conference. Chairman Xu Jiatun delivered a speech, entitled "Making Concerted Efforts To Stabilize Hong Kong," and reaffirmed the abovementioned ideas.

On 11 July, Jiang Zemin, general secretary of the CPC Central Committee, met with Hong Kong celebrities T.K. Ann, T.S. Lo, P.H. Huang, and others at Zhongnanhai. He was even more candid by saying that the principle of one country, two systems has been adopted in handling the issues of Hong Kong, Macao, and Taiwan, which means that we will practice socialism and you will practice capitalism, and that neither side will interfere in the other's affairs. We will not practice socialism in Hong Kong, Macao, and Taiwan, and you should not transplant capitalist practices to the interior. All these statements clearly show that the Chinese Government's principle of one country, two systems has not changed.

Today Hong Kong, Macao, and Taiwan practice capitalism, and they will do so tomorrow. This will remain unchanged for at least 50 years. As usual the Chinese mainland practices socialism today, and it will continue to practice socialism tomorrow. On the one hand, the central people's government will not apply socialist policies to

Hong Kong, Macao, and Taiwan. On the other hand, Hong Kong, Macao, and Taiwan should not interfere in or attempt to change the socialist system in the interior. Neither side should infringe on or disturb the other side, and both sides should get along harmoniously.

Some people may say that although Chinese leaders have said that the principle of one country, two systems will remain unchanged, this is only empty talk. They may give you this guarantee today, but who knows if it will not change tomorrow? Dear listeners, I do not think it will change.

First, the principle of one country, two systems was formulated with due respect for history and reality. The Chinese Government fully realizes that Hong Kong, Macao, and Taiwan compatriots have long been accustomed to the capitalist social and economic system and the capitalist lifestyle. These compatriots hope to maintain the existing social, political, and economic system as well as the lifestyle. This is being realistic. The principle of one country, two systems takes into account the historical conditions as well as future stability and prosperity of Hong Kong, Macao, and Taiwan.

From the mainland's point of view, maintaining the capitalist system in Taiwan, Hong Kong, and Macao will help the mainland bring in foreign funds, technology, talented personnel, and management know-how from capitalist countries, and facilitate the sales of mainland products in the world market. For instance, Hong Kong, as an open free port, is of special value to China in opening to the outside world. Even when the counterrevolutionary rebellion occurred in Beijing, China continued to uphold the reform and open policy, because a closed-door policy would never bring about modernization. As long as the reform and open policy is upheld, Hong Kong's position will be irreplaceable as China opens to the outside world.

Of course, capitalist Hong Kong can maintain its prosperity, justify its existence, and envisage future development only by relying on the socialist motherland, which is like a huge tree. Therefore, the principle of one country, two systems was formulated by taking into account the overall interests of Hong Kong, Macao, Taiwan and the whole nation. There is simply no need to change.

Second, the principle of one country, two systems has legal protection. As a basic state policy of the Chinese Government, the principle has long been written into the Constitution of the PRC, and been examined and approved by the National People's Congress, thereby acquiring the greatest binding force. It is not based on any specific individual's promise or guarantee. Therefore, it will not become void following a change of any individual leaders. As a matter of fact, the counterrevolutionary rebellion in Beijing has not in the least affected the implementation of the policy of one country, two systems.

Particularly noteworthy is the fact that the Chinese Government has held separate negotiations with the British and Portuguese governments, and written the principle of one country, two systems into the Sino-British Joint Declaration and the Sino-Portuguese Joint Declaration, thereby giving it international legal status. These two declarations are solemn international agreements. The Chinese Government will unswervingly abide by these two declarations and discharge all obligations the Chinese Government assumes in these two declarations.

Dear listeners, due to lack of understanding of the truth about the quelling of the counterrevolutionary rebellion in Beijing, compatriots in Hong Kong, Macao, and Taiwan have expressed some misgivings and taken some actions. Director Xu Jiatun has said that the motherland government will not make fuss about this, but will continue to look upon them as members of the motherland's community. This holds true for workers of Hong Kong-based institutions as well as China-funded enterprises. We will show understanding toward those compatriots who took part in demonstrations and signing activities due to their lack of understanding of the truth, and will not hold them accountable. This policy fully demonstrates the motherland government's sincerity in implementing the principle of one country, two systems.

Of course, in future, when compatriots of Hong Kong, Macao, and Taiwan visit the mainland, they should respect the mainland's social system and laws, just as people from the interior going to Hong Kong, Macao, and Taiwan should respect the social system and laws there. Only in this way can we prevent the two systems from infringing on each other and enable them to get along harmoniously in order to achieve the goal of common prosperity. Don't you think so?

Ministry To Sponsor Film Festival

OW0909212689 Beijing XINHUA in English
1447 GMT 9 Sep 89

[Text] Beijing, September 9 (XINHUA)—The first China film festival, sponsored by the Ministry of Radio, Film and Television, will begin in Beijing on September 21 and run until the 27th.

Forty movies including feature films, documentary films, scientific films and art films will be shown. Eight will be shown on the first day.

"These films are good ones produced over the past two years for the 40th anniversary of the founding of the People's Republic of China," said Teng Jinxian, director of the film bureau of the ministry, at a press conference here today.

The films include 20 feature films such as "Inauguration of New China" and "Baise Uprising," three documentary films such as "Marching Towards New China," four

scientific films such as "Population and Economics," and three art films such as "Feeling of Mountains and Rivers."

Some studios and their products will tour factories, rural areas, Army units and schools, and solicit the opinion of the people.

During the festival, the Ministry of Radio, Film and Television will confer awards on excellent films of 1988, and to units and individuals that have made contributions to China's film industry and the festival.

"The film festival aims to highlight the progress made by China's film industry, and stimulate even greater achievements," said Teng Jinxian.

He said that the China film festival will gradually develop into a grand international festival, so as to promote exchange and cooperation between Chinese and foreign film circles.

The China film festival will be held every two years.

WHO-Funded Rehabilitation Course Opens

OW1409115489 Beijing XINHUA in English
1003 GMT 14 Sep 89

[Text] Wuhan, September 14 (XINHUA)—The certificate course in applied rehabilitation, a training course funded by the World Health Organization (WHO), opened here Wednesday.

The first group of trainees includes 50 physicians from hospitals across the country; five to 10 percent of the outstanding students will be sent abroad for a study tour after graduation.

Addressing the opening ceremony, S.T. Han, Western Pacific regional office director, said that the course will surely contribute to the improvement of educational and rehabilitational conditions for the disabled in China.

The course will be run by the WHO Hong Kong collaborating center (WHO-HKCC). Over the next 10 years, WHO-HKCC is to train 1,000 medical personnel engaged in rehabilitation for the disabled. The teaching staff was invited from abroad.

There are 51.64 million disabled people in China. Ten to 15 percent need rehabilitation and seven percent should be fitted with artificial limbs.

The Chinese Government has made great efforts to improve the condition of disabled people over the past couple of years, said Chen Minzhang, minister of public health.

Convalescence centers have been set up in 20 provinces and 23 universities have opened rehabilitation courses. As of the end of last June, 70,000 infantile paralysis patients, 170,000 cataract patients and 1,800 deaf children had been treated, Chen said.

Science & Technology

Academy Official Outlines Biotechnology Gains

OW1409003289 Beijing XINHUA in English
1429 GMT 13 Sep 89

[Text] Beijing, September 13 (XINHUA)—Over the past three years China has developed 50 biotechnological products and technologies, which scientists believe will earn billions of dollars when they are put on the market.

Biotechnology is a newly emerging science which is concerned with the application of biological and engineering data to solve the problems of man and plants.

At a press conference here today, Professor Huang Tieshan, an official from the Chinese Academy of Sciences (CAS), disclosed that since 1986 China has invested a total of 88 million yuan in biotechnology research.

According to Huang, Chinese scientists have made a number of significant achievements, which include production of Hepatitis B virus surface antigen vaccine by genetic engineering, interferon, production of penicillin acylase, engineered tobacco plants, regeneration of plants from protoplast, and techniques and equipment for separation using memberin and medium.

"These new technologies and products are of international standard, and they will play a great role in China's economic and social development," Huang remarked.

Hepatitis B virus vaccine was jointly developed by the Virology Institute of the Chinese Academy of Preventive Medicine and the Shanghai Biochemistry Institute under CAS. When it is put into production before the end of next year it is expected to earn up to 320 million yuan for the country.

Altogether, about 3,000 scientists from 185 Chinese research institutes, universities and factories are participating in such projects.

Researchers Develop Versatile Bio-Surfactant

OW1209195289 Beijing XINHUA in English
1206 GMT 12 Sep 89

[Text] Shanghai, September 12 (XINHUA)—A glycolipic bio-surfactant was recently developed at the Shanghai Research Institute of Organic Chemistry.

Experts said that the new invention can be applied in the chemical industry, oil exploitation, food processing and medicinal fields.

It is also said to be a good skin-care agent.

Animal tests show that it can also be used as a lubricant for human joints.

Paper Recounts Scientific Achievements*OW1409122989 Beijing XINHUA in English
0948 GMT 13 Sep 89*

[Text] Beijing, September 13 (XINHUA)—China's space technology, bio-technology and nuclear science have caught up with world levels thanks to efforts of the past four decades, the PEOPLE'S DAILY reported today.

China has formed a complete and rational scientific and technological network with 9.66 million scientists. In the 1950's there were only 40,000 scientists in a few dozen institutes.

The paper reported that since China's first atom bomb was exploded in 1964, the country has developed the ability to produce atom bombs, hydrogen bombs and nuclear submarines as well as nuclear technology for peaceful use.

China has launched 25 satellites and recovered 11 of them in less than two decades, and become the third country after the United States and the Soviet Union to develop satellite recovery know-how.

China also leads the world in synthesizing bovine insulin, cultivating high-yield hybrid rice, launching three satellites with one rocket and developing superconduction technology.

About 3,000 of the 10,000 major research findings and inventions China makes each year are state of the art, according to the Scientific and Technical Information Institute of China.

The paper also noted that there is a big gap between China's scientific and technological level and the goal of the modernization program.

Military**Shandong Secretary Addresses Navy Meeting***SK1309074189 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 9 Sep 89*

[Excerpts] Amid majestic martial music, the 5-day meeting of the Chinese People's Liberation Army [PLA] Navy to exchange experiences in strengthening the unity between the Army and the government, and between the Army and the people, concluded in Weihai on 9 September.

Lieutenant General Tong Guorong, chairman of the Political Department of the PLA Navy, presided over the meeting. General Li Yaowen, political commissar of the PLA Navy; Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; and Ma Zhongchen, deputy secretary of the provincial party committee, attended the meeting. Major General (Zhu Tingxin), director of the mass work department of the General

Political Department of the PLA; and Lieutenant General (Li Shiquan), political commissar of the North China Sea Fleet, made speeches at the meeting. [passage omitted]

After introducing Shandong's basic situation, the economic and social development situation, the work of checking the turmoil and stabilizing the overall situation, and the work situation in the ideological and political sphere, Jiang Chunyun, secretary of the provincial party committee, said: The convocation of this meeting in Shandong's Weihai City has brought about a great advance in our work. Over the past years, the PLA Navy units stationed in Shandong have enthusiastically and greatly supported the localities in terms of developing coastal areas, providing rescue work on the seas, doing scientific research on marine resources, and developing navigation and urban construction undertakings; and have made great contributions to promoting the socialist material and spiritual civilizations, and to making the people rich and Shandong prosperous. The people in Shandong will never forget the PLA's deeds of supporting the government and cherishing the people. From now on, we should continue to carry on the glorious traditions of supporting and cherishing the Army; disseminate and popularize the good experiences in Army-government and Army-civilian unity exchanged at this meeting; and strive to yield positive results in this regard, to promote the work of strengthening Army-government and Army-civilian unity to a new level, and to gain results in promoting the material and spiritual civilizations in the province.

Engineers Develop Mine Laying, Sweeping Skills*HK1409015189 Beijing ZHONGGUO XINWEN SHE
in Chinese 1339 GMT 6 Sep 89*

[China's Engineering Corps Has Developed a System of Laying and Sweeping Mines"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 6 Sep (ZHONGGUO XINWEN SHE)—The Chinese engineering corps can now employ various demolition means to directly destroy the enemy's defense works and weaponry and wipe out the enemy's effective strength from land, air, and water.

The Chinese engineering corps has mastered advanced minelaying and effective minesweeping methods. It has devised equipment and appliances capable of laying or sweeping mines at long, intermediate, and short distances.

During the war at Zhenbao Island in 1969, China did not have a single antitank mine made by China itself; in the self-defense counterattack against Vietnam in 1979, China still did not have reliable minesweeping appliances. Since the 1980's, the engineering corps has boldly reformed the scientific research structure and put forward the idea of developing precision equipment to cater to the needs of the future and developing emergency

equipment to suit partial warfare. An impressive breakthrough has been made in the development of mine demolition apparatus.

At the moment, we have reliable means to detect and sweep mines and to open up a passage in front of the enemy. Our mine detection apparatus has reached the advanced level attained by foreign troops for similar equipment, and some minesweeping apparatus has even occupied a leading position in comparison with that owned by foreign troops. We have resolved the problem of opening up passages in mine fields. The method of minelaying has also gradually developed from an artificial one to one by projectiles, machinery, rockets, and aircraft. We have developed a system of using machinery to lay mines at a certain distance. We have a complete variety of mines with similar effect to the advanced mines owned by foreign troops.

Economic & Agricultural

Energy Production Expected To Meet Major Targets

HK1309104989 Beijing CHINA DAILY in English
13 Sep 89 p 2

[Text] China's energy producers are expected to fulfill the major targets of the Seventh Five-Year Plan (1986-1990). But capital construction in energy is lagging behind, a situation some experts say could hurt future production.

A report prepared by the Ministry of Energy reveals that this year more than 1 billion tons of raw coal will be produced in China. Of this, locally-run coal mines are expected to turn out just over 70 million tons more than state-owned mines will.

Electrical generation will reach 620 billion kilowatt hours, 13 percent above the state's target of 550 billion. Coal-fired plants produce 75 percent of the electricity generated in China. The rest comes from natural gas, oil and water-powered generators.

Crude oil output should be between 142 to 143 million tons, or 95 percent of the planned quota. Production of natural gas will also be a few percentage points short of the targeted output, according to the 23-page report.

"Energy production has been proceeding satisfactorily in recent years. But, because of the overheated economy and other factors, the current power shortages will persist, or even worsen, over the next few years," a ministry official said.

The energy industry's capital construction is doing less well.

Mine construction has suffered a big cut in government investment—20 billion yuan—in the past five years. Local authorities, keen to develop processing industries, have also cut back on spending on energy construction.

Electrical generating capacity increased to 45.2 million kilowatts in the period, over 10 million more than the planned target. Construction of coal-fired and nuclear projects have proceeded as scheduled, but construction of hydroelectric projects is expected to be 15 percent short of the state plan. The report attributes this to lower government investment in large and medium-sized hydroelectric stations.

Although production capacity in the oil industry is expected to reach 80 million tons, 33.3 percent higher than the original target, proved reserves will be no more than 3 billion tons, 1 billion tons less than the government wants in readiness for the next decade.

"Prospecting teams need more and more financial help from the government since geological prospecting work is getting more and more difficult nowadays," an expert with the State Planning Commission said recently.

The report also points out major problems which may affect future development.

Low prices have caused the energy industry to lose money. Coal mines and oilfields are expected to lose more money since the government still hesitates to raise prices for energy enterprises.

Industrial energy efficiency has been poor. Energy consumption in 61 percent of the government-designated major products rose last year. And the lack of funds has actually prevented the introduction of many energy-saving measures.

Official Reports Increased Foreign Investment

HK1109020089 Beijing CHINA DAILY in English
11 Sep 89 p 2

[By staff reporter Ren Kan]

[Text] In July, the month after the turmoil, 73 solely foreign-owned enterprises, with a total of more than \$70 million in investment, were approved by China. The two figures were respectively 2.4 times and about 10 times more than those in July of last year.

Lu Yongkuan, a division chief of the foreign investment administration of the Ministry of Foreign Economic Relations and Trade, said he is confident that more foreign investors will seek to invest in China in the near future.

Lu said his confidence is based on his belief that foreigners are not willing to sacrifice the huge potential Chinese market, and that China, due to its tight budget, is particularly encouraging overseas investment at this time.

In the first half of this year, 425 solely foreign-funded enterprises with investment of \$900 million were ratified for establishment, respectively 370 percent and 240

percent more than the same period of last year. The actual investment during that period was more than \$100 million.

Lu said that Hong Kong, the United States and Japan are the top three investors.

He said most of the foreign-funded enterprises, mainly in the fields of light industry, electronics, processing and shoe production, are located in Guangdong and Fujian provinces.

By the end of June this year, Guangdong Province approved 118 solely foreign-funded enterprises with contracted investments totaling \$463 million, and \$50.07 million have already been introduced. The figures were 2.6 times, 16.4 times and 13 times increase respectively over the same period of last year.

A number of solely foreign-funded enterprises have been set up in Guangzhou, Dongguan, Foshan, Jiangmen, Zhanjiang, Huizhou, Meizhou and Shaoguan, in addition to the three special economic zones of Shenzhen, Zhuhai and Shantou, the official said.

XINHUA Roundup Views High Tech Industry

OW0709064289 Beijing XINHUA in English
0018 GMT 7 Sep 89

[“Roundup: High-Tech Industries in China”—XINHUA headline]

[Text] Beijing, September 7 (XINHUA)—After decades of painstaking effort, China is beginning to establish industries based on new and high technologies, which will have an enormous bearing on the country's economic development after the year 2000.

In the 40 years since the founding of the People's Republic of China, with an investment of about 100 billion yuan in high technology, China has built a well developed industrial and scientific infrastructure with three million scientific and technical personnel.

Science and technology are especially developed in the areas of aeronautics, nuclear technology, computers, biotechnology, new materials, communications, and precision instruments.

In recent years, developing high technology has become a major part of China's national economic development strategy.

Many Chinese government planners believe that developing high-tech industries is the only way for China to become a strong and modern nation.

“With a population of 1.1 billion living on only about one hundred million hectares of cultivated land, the per capita cultivated area in China is very limited,” an economic analyst from the State Commission for Science and Technology said.

“In order to meet increasing demands for a higher standard of living and facilitate fast economic growth in China, high technologies including biotechnology must be developed,” he explained.

Since 1983, the Chinese Academy of Sciences (CAS) has mobilized more than 6,000 scientists to leave the “ivory tower” and start new industries with their research results.

In 1988 alone, CAS sold hundreds of high-tech products which brought in more than one billion yuan.

The academy has also earned a large amount of hard currency by selling high-tech products abroad. The bismuth germanite crystal developed by the Shanghai Institute of Silicetry and Technology [name as received] has made more than 10 million U.S. dollars in sales in Western Europe in recent years.

The new permanent magnetic material developed by the Institute of Physics under CAS has fostered a number of internationally-competitive enterprises.

However, the output value of China's high technology industries as a proportion of the nation's GNP is still small. In 1987, the output value of high technology industries accounted for only 6.8 percent of GNP.

“If China does not place great emphasis on high-tech, China's economic position in the world will probably decline even if it quadruples its total industrial and agricultural output value by the end of this century,” a CAS researcher said.

To mobilize more Chinese scientists and engineers to develop and commercialize high technology products the State Commission for Science and Technology started a special project, the Torch Program, in August 1988.

The program, which aims to stimulate the development of products for both the domestic and international markets and promote economic growth based on competitive high technology products, is a critical step in China's plan to substantially increase the proportion of high technology output in the national economy by the end of the century and increase the percentage of high technology exports from the present low level to that of the medium-developed countries in the early 1980s.

The program calls for starting 2,000 high and new technology enterprises over the next two or three years.

During the past year, thousands of Chinese scientists and engineers have been mobilized to set up a large number of enterprises which integrate technology, industry and trade.

In addition to Beijing's famous Zhongguancun District and Shenzhen's Technology Park, dozens of technology development centers have been or are being established in coastal areas and major inland cities.

China is also seeking close connections with overseas and international industrial and financial organizations for high-tech industry cooperation. According to the State Commission for Science and Technology, China has held talks on loans, personnel training, technology export, and joint ventures in high-tech industry with Federal Germany, France, Britain, Finland, Canada, the United States, Australia, Japan, Singapore, the Soviet Union, Hong Kong, the World Bank and the Asian Development Bank.

Early this year, the Chinese government proposed international cooperation in 30 areas, including lasers, computers, telecommunications, new materials and anti-cancer drugs. Many foreign countries and international organizations have expressed great interest.

The State Commission for Science and Technology has selected 234 projects in the fields of new materials, biotechnology, telecommunications, machinery and electronics, new energy, and high-efficiency energy saving technology for 1989's Torch plan.

Li Xue, vice-minister of the State Commission for Science and Technology said, "developing high-tech industry is pioneering work in China. As long as Chinese scientists and engineers adhere to reform and creation, and with the strong support of the government and the public, the torch of high technology could eventually be lighted throughout China."

Nation Ranks Among Leading Appliance Producers

OW1009143389 Beijing XINHUA Domestic Service
in Chinese 1206 GMT 4 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 4 Sep (XINHUA)—According to authoritative government department sources, China is among the leading countries in the world in producing household electric appliances after 10 years of reform and opening to the outside world. In 1988, it produced 44.85 million electric fans, 10.46 million washing machines, and 15 million black and white television sets, which earned it the first place among all nations in terms of production capacity and output of the three household electric appliances. Although China just recently developed its own color television and refrigerator, it has since made rapid progress in these areas. Last year it turned out 10 million color television sets and 7.55 million refrigerators and became one of the leading countries producing color television sets and refrigerators.

The household electric appliance industry has developed into a pillar industry in China's national economy. In 1988 alone, this industry turned out 1,946 million yuan in profits and taxes, which amounted to the 5 years' total of profits and tax revenue of the "Sixth 5-Year Plan."

The development of household electric appliance industry altered China's dependence on imports of those household electric appliances. Instead it has begun

exporting these goods in large quantities. Last year these exports reached \$300 million and became one of the first products of the light industry system for exports.

Construction Output Exceeds Commerce, Transport

OW1009114189 Beijing XINHUA in English
0940 GMT 10 Sep 89

[Text] Beijing, September 10 (XINHUA)—Building industry has become the third largest industrial sector of China since 1949 when New China was founded and its annual output value has outstripped that of both commerce and transportation.

The industry now enjoys some ten million employees and its annual net output value accounts for 6.6 per cent of the state revenue, according to the Ministry of Construction.

In contrast, only 200,000 people were employed in the trade and what it contributed to the state accounted for only 0.3 per cent of the state revenue in 1949.

The industry has completed a great number of construction projects for the nation and the building floor space in cities and towns in the past forty years totalled 3.1 billion square metres, seven times the 1949 figure.

Thanks to the technological progress, China is now able to design and build by itself large industrial and civil projects, including steel and iron complex with an annual production capacity of three million tons each and coal mines with an annual production capacity of five million tons each.

Meanwhile, China had established building business relations with 125 countries and regions by the end of last year.

According to statistics, contracts involving 10.6 billion U.S. dollars worth of overseas building projects and labour export have been signed between China and foreign countries since 1976 and over 3,000 large projects have been accomplished overseas.

Economic Situation Assessed; Tasks Enumerated

HK1109152089 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 36, 4 Sep 89, p 1

["Letter From Beijing" by Bao Xin (7637 0207):
"Trends of China's Economic Development"]

[Text] My Brother:

China's economic tendency is an issue with which many people at home and abroad are concerned. "To the people, food stuffs are all-important." "Politics reflects the economy." It is quite natural that people are now concerned with the economic situation in China after a major storm.

On 15 August, the State Council held a plenary meeting to review the economic situation from January to July

and to arrange the economic work in the coming months. This meeting provided the authoritative latest data for assessing China's current economic situation. So I would like to briefly explain the relevant data in this letter.

The characteristic of the economic situation in the first 7 months of this year can be summarized into one word—"stable" and this found expression mainly in the following three aspects:

First, we prevented the economy from sliding down and we maintained the increasing tendency. The industrial output value increased by 10.6 percent, and the GNP increased by 5.7 percent. After the retrenchment policy was adopted to restrain the overheated economic conditions last autumn, some people predicted that economic stagnation would appear, but this prediction did not become reality.

Second, we achieved certain results in stabilizing the prices. In the first half of this year, although the general retail price level in the whole country rose by 25.5 percent over the same period of last year, 18.5 percentage points of this increase were attributed to the influence of last year's price increase factors, and this year's new price increase factors accounted for only 7 percentage points. In particular, the prices of people's daily necessities and nonstaple foodstuff remained rather stable, and the prices of some goods even declined slightly. Therefore, the masses felt that the increase rate of the prices was lower than last year. Precisely due to the price stability, the people's feelings were also stabilized.

Third, the situation in agricultural production is rather favorable. Because of the implementation of the measures for supporting agriculture and the adjustment of the purchasing prices for some agricultural products, the production enthusiasm of the peasants was further aroused, and a good situation appeared in this year's agricultural production. According to initial statistics, summer grain output totaled 93.55 million tons, or increased by 2.57 million tons over last year and reached an all-time high. The output of rapeseed totaled more than 5.5 million tons, or increased by 500,000 tons over the same period of last year. At present, autumn crops are growing in good condition. Although some areas were afflicted with natural disasters, so long as no major disaster occurs in the remaining months of this year and all localities take effective measures to ensure agricultural production, good harvests can be expected this year.

However, there are also worrisome problems in the economic situation in the first half of this year. Last autumn, three major tasks were put forth for the purpose of rectification and improvement. The three tasks were to curb the price increase, to strive for good agricultural harvests, and to coordinate the gross supply and the gross demand in society. In the first half of this year, the first two tasks were fulfilled rather successfully, but the third task was not fulfilled as well as expected. First, the capital investment was not cut down to the level

according to the planned target. It was planned that this year, the total size of investment in fixed assets in all sectors of society be reduced by 20 percent from last year's level. In fact, the investment in fixed assets remained at last year's level and was merely prevented from increasing further. Second, the consumption funds remained at the high level and still increased by 20 percent, and this rate was higher than the growth rates of production, national income, and state revenue. The problems of high consumption and unfair distribution in society were not solved and mitigated.

When talking about the main tasks in the economic work in the next few months, Premier Li Peng pointed out at the meeting that there are still the same three main tasks: continuing to stabilize the prices, striving for good agricultural harvests, and effectively mitigating the contradiction between the gross supply and the gross demand. He reiterated that the guideline remains that of firmly carrying out the reform and opening up policy and carrying out the policy for rectification and improvement with full assurance. Rectification and improvement do not go against reform and opening up, and the purpose of rectification and improvement is to create a better environment and more favorable conditions for reform and opening up. In the period of rectification and improvement, we must not only continue to carry out but also deepen the reform and opening up measures. Premier Li Peng also explicitly pointed out that all measures for rectification-improvement and for reform and opening up officially adopted by the central authorities before the 4th Plenary Session of the 11th CPC Central Committee should continue to be carried out, so long as they were discussed and decided by the CPC central leadership, the State Council, and the National People's Congress. For example, the Enterprise Law and the relevant regulations and rules, as well as the regulations for assigning quotas of financial budget and revenue, quotas of foreign funds and foreign exchange, and quotas of railway operation and coal distribution, should continue to be carried out. Various contract systems pursued by the enterprises should also be kept in force. The authorities concerned should pay attention to the problems appearing in the course of implementing these new systems, and should make investigation and sum up experience in good time. The reform measures which were just tried in some units and were not spread generally can continue to be tried in those units. In addition, some new reform projects can also be studied so that reform can continue to develop in depth.

For example, there were both advantages and disadvantages in the system of assigning financial quotas, so methods of improving this system should be found when this system is kept in force. Preparations should now be made to adopt a new financial system in 1991, the first year of the Eighth 5-Year Plan. The new system should be favorable to the enhancement of the central government's controlling capacity, and also favorable to the regulation of the financial burdens for various provinces.

municipalities, and autonomous regions. As for enterprise contracts, we should also pay attention to the stability of the relevant policies and properly solve the problems in the continuing implementation of the contract system. Some major measures should be taken to improve and standardize this system in the future after necessary experiments are made.

When talking about the time and target for rectification and improvement, Li Peng announced that the State Council had decided to ask the State Planning Commission to organize the drafting of a 3-year program for rectification and improvement so as to fix the concrete targets for rectification and improvement in the next 3 years. For example, the program will concretely stipulate how to adjust the prices of agricultural products and basic industrial products, how much the price index should be lowered, how much the financial deficit should be reduced; and how much the proportion of the basic industries or the processing industries should account for in the industrial structure. Thus, the people will know that if all these targets are achieved, and then our task for rectification and improvement will be basically fulfilled. Now the 3-year program is still being drafted, and it will be submitted to the CPC Central Committee for approval at its fifth plenum. Then the short-term blueprint for China's economic development will be finally drawn up.

Paper Compares Socialist, Capitalist Systems

HK1209061089 Beijing JINGJI RIBAO in Chinese
24 Aug 89 p 3

[Article by Zhang Zhaoquan (1728 0340 6898): "Adhere to the Orientation of Reform With Public Ownership as the Dominant Factor—Also Commenting on the Assertion that 'Problems Will Remain if Public Ownership Is Not Reformed'"]

[Text] When we are talking about reform today, bourgeois liberalization advocates also talk about reform. But as Comrade Deng Xiaoping pointed out: "What some people call 'reform' should be renamed liberalization, that is, capitalization. The reform we refer to is different from theirs. This issue should be debated further." This is a very important problem.

Bourgeois liberalization advocates like to say that the work efficiency, labor discipline, and service attitude of some state enterprises are not so good as in capitalist enterprises and they lack vitality. In their opinion, this results from public ownership and problems will remain if public ownership is not reformed. Some of our comrades also have confused understanding, thinking that China's economy has been enlivened by capitalist means. Some have even said that we are "using capitalist methods under the socialist system and practicing capitalism under the socialist signboard." This assertion is very harmful. Of course, our economic management is backward. It is precisely because of this that we are carrying out reform. We should also assimilate some

useful experiences from capitalist countries. However it is wrong to say that socialist public ownership is inferior to capitalist private ownership. This is ridiculous both in theory and in practice.

This problem should be explained from the high plane of world outlook and by scientifically understanding socialism and analyzing capitalism. In this way we will be able to hold firm to the orientation of reform with public ownership as the dominant factor and resist the influence of bourgeois liberalization.

According to materialist dialectics every matter is the unity of generality and speciality. Socialism and capitalism are also the unity of generality and speciality. In other words, socialism and capitalism are fundamentally different from each other but at the same time bear the common features of human society. Replacing capitalism with socialism means negating capitalist private possession, capitalist exploitation of the workers' surplus value, distribution according to capital, and unorganized social production; this does not negate the common features in human society. The useful parts of these common features should be analytically studied and inherited. In short, scientific socialism is aimed at discarding capitalist factors unsuitable for the socialization of the productive forces and absorbing all useful and advanced factors that are common in human society. In this respect, socialism is really superior to capitalism.

A scientific analysis of capitalism serves as a precondition for acquiring a scientific understanding of socialism. Without a scientific analysis of capitalism, without admitting that the useful and advanced factors of the common features of human society exist in capitalism, and without admitting the necessity to absorb these useful and advanced factors, our understanding of socialism will be distorted and rigid. In such cases we will not be able to bring into play the superiority of socialism. There are temporary backward situations in socialist China because many useful factors have been regarded as of a capitalist nature and negated.

I would like to explain this problem in the following six aspects:

1. Economic interests constitute the forces that push man forward. This theory applies to all kinds of societies. We cannot say that economic impetus only exists in capitalist private ownership and does not exist in socialist public ownership. However, under the capitalist system, economic impetus exists in special social forms such as capitalist profits and capitalist wages. Capitalists establish their economic interests on the basis of exploiting the workers and only pay attention to private gain to the neglect of social interests. These are the characteristics of capitalism and should be subjected to criticism but we should not criticize economic factors which constitute economic strength because this could lead to the following incorrect conclusion: In socialist society people can only talk about politics and ideology

but not about material benefit or individual interests. This would be confusing speciality with generality.

Capitalism, which is based on private ownership, caters to capitalists' personal gain in whatever form it appears. The bourgeoisie cannot bring into play the initiative of the proletariat by means of bourgeois politics. This is due to the limitations of capitalism. Under the socialist system the people have common fundamental interests and a powerful political impetus and can abide by public interests. Capitalism only stresses private interests whereas socialism stresses both individual and collective interests and puts collective interests above individual interests. Capitalism has only a narrow economic impetus whereas socialism has impetus which is both economic and political. In this respect, socialism is superior to capitalism. Facts have proved that we can bring this superiority into better play provided we form a good combination between the economic and political impetus. An example was the experience gained during the First 5-Year Plan and in reform after the 3d Plenary Session of the 11th CPC Central Committee. But one-sidedness also cropped up under the influence of which people only paid attention to political impetus, disregarding economic impetus, and only talked about state interests to the neglect of individual economic interests. Some people even regarded individual economic interests as capitalist material incentives and subjected them to criticism. As a result, the role of political impetus could not be brought into play, rational individual interests were negated, people's initiative became low, and the state could not carry out a rapid development. This damaged both the economic and political impetus. When criticizing the special features of capitalism we also negated the common features existing in capitalism and socialism. In this case, neither economic nor political impetus could be brought into play and, instead, initiative and discipline became lax. We should draw a lesson from this.

2. The contradiction between capitalist private possession and socialized production is an incurable disease regarding capitalism. But developed productive forces in capitalist countries, such as coordination based on specialization, combined companies, trust organizations, and advanced scientific and technological management, are the common wealth of the people and should be analytically inherited. We should admit that capitalist countries have developed these to the highest possible level. This is the historic role of capitalism and should not be negated. For this reason, Lenin said: It is necessary to assimilate useful foreign things. Soviet political power plus Prussian railway order, American technology, American trust organizations, and American civilian education is equal to socialism (Footnote 1: "Collected Works of Lenin," Fifth Russian Edition, Vol 36, p 550). Lenin also said: "Whether socialism can be realized depends on whether a good combination can be formed between Soviet political power, Soviet management organizations, and the newest and advanced things in capitalism" (Footnote 2: "Selected Works of Lenin,"

Revised Edition, Vol 3, p 551). The realization of public ownership can help overcome the shortcomings of capitalism. This is where socialist superiority lies. Under "leftist" influence the developed productive forces of capitalist countries were also criticized. As a result some bad practices emerged. For example, the big and all-inclusive enterprises we ran were not so good as cooperation based on specialization and the economic management we exercised according to administrative division was inferior to combined corporations and trust organizations in capitalist countries. We should draw a lesson from this.

3. A basic contradiction in capitalist society is the one between enterprises' organized production and society's unorganized production. This has resulted from private ownership and should be negated. Enterprises' organized production is good and should not be negated. The internal organization of capitalist enterprises is good because they are independent enterprises. Closely related with their interests, capitalists are willing and have the right to organize their enterprises properly. We can use the commodity economy based on public ownership to overcome unorganized production in society and retain enterprises' independence (this is a common demand by the commodity economy) in such a manner that our enterprises will have the right to properly organize themselves in production. In criticizing capitalist society's unorganized production we have paid attention to making overall arrangements for social production. This is a basic experience but some shortcomings have also occurred. For example, some people regard granting independence to enterprises as a capitalist practice and criticize it. As a result, some enterprises have been deprived of their autonomy and interests. In such cases these enterprises cannot organize their production properly because they lack vitality. We should draw a lesson from this.

Capitalist private ownership determines that capitalist society cannot consciously apply the law of value or prevent economic crises. But the law of value in capitalist society can play a prominent regulatory role. For the sake of making money and driven by the law of value, capitalists cannot but pay attention to market demand, consumer needs, product variety and quality, and service quality and attitude. Obviously, an economic crisis does not arise from the law of value but from capitalist private ownership. We should criticize the capitalist practice of subordinating the law of value to the law of surplus value and the habit of resorting to tricks and deception regardless of the overall situation. However, we should not criticize the law of value or market regulation because they are common characteristics of the commodity economy. Public ownership enables us to: carry out planned regulation in the entire society; subordinate the law of value to the basic law governing the socialist economy; exercise the law of value in the entire society; unify the role of plans and the law of value; and to form coordination between planned

regulation and market regulation. Some capitalist countries are also introducing planned regulation but it is impossible for capitalists to sacrifice their interests for the overall situation. Therefore they cannot genuinely carry out planned regulation. But we can carry out both planned regulation and market regulation. In other words, we can consciously exercise the law of value in the entire society. This is where socialist superiority lies. It is good that we have paid attention to planned regulation but there are also problems. Some people regarded the law of value and market regulation as of a capitalist nature and criticized them. This has caused much difficulty in carrying out planned regulation, weakened socialist superiority, and given rise to a situation in which oversupplied goods have always remained slow-selling and undersupplied commodities have always fallen into short supply. We should draw a lesson from this.

5. Capitalist competition based on private ownership develops itself by deceiving and trampling on others and resorting to all sorts of tricks. This should be criticized. But competition has enabled capitalists to adopt new technology, to improve management, and to scrap backward equipment so we should not negate competition in general terms. What we should criticize is capitalist competition under which self-development proceeds by harming others. Capitalist competition at the expense of the interests of others can be overcome under the socialist system because the people's fundamental interests are identical. Thus the advanced will help, encourage, and cooperate in a friendly manner with the backward to make common improvements. This is the superiority of socialism. We have been correct in criticizing capitalist competition and stressing friendly cooperation. This is a good experience but there are also problems. For example, some people have indiscriminately criticized competition. This is as bad as "whipping a fast ox" and providing protection for the backward. Instead of bringing socialist superiority into full play this has caused long-term backwardness and sluggish technological progress in some enterprises which still feel contented even though they have incurred losses. We should draw a lesson from this.

6. Capitalism is built on class antagonism between the exploiting and exploited classes. This should be criticized. But capitalism disregards egalitarianism. Under this system workers producing different quality of products earn different wages. Viewed from historical materialism, capitalism is more progressive than egalitarianism practiced by small producers. What we should criticize is disparities built on class antagonism between the exploiting and exploited classes but we should not negate the role of disparities in history. Still less should we regard disparities based on labor as of a capitalist nature and criticize them.

Under socialist public ownership we have eliminated class antagonism and disparities based on exploitation and have, at the same time, retained disparities based on work and practiced distribution according to work. This

has turned this kind of distribution into a mighty force propelling the people's progress. This is where socialist superiority lies. We have criticized disparities based on class antagonism and encouraged common prosperity. This is a good experience but there are also shortcomings. While criticizing such disparities we also criticized all other disparities, including those based on work results. To a certain extent this encouraged egalitarianism and the practice of "everybody eating from the same big pot." As a result the superiority of socialism could not be brought into play and labor discipline and work efficiency became lax in enterprises. We should draw a lesson from this.

In short, we should use dialectical and historical materialism to understand socialist public ownership and analyze capitalist private ownership. This is not praising capitalism or lauding the bourgeoisie but suggests that the proletariat is the most practical, realistic, and the most unprejudiced. This is where the strength of Marxism and scientific socialism lies.

Reform should proceed in light of China's actual conditions and in accordance with socialist principles. On the other hand we should also correctly handle foreign experience, including advanced management methods portraying modern socialized production laws from developed capitalist countries. The purpose of our reform is not to discard public ownership but to improve it. If we proceed along this line the superiority of socialist public ownership will be brought into full play, our production and life will develop at a rate beyond comparison with that of the capitalist world, and we will have unlimitedly bright prospects. An unshakable principle therefore is to hold firm to the orientation of reform with public ownership as the dominant factor.

First, the socialist system is higher than and superior to the capitalist system in all aspects. Unexpected problems have cropped up because some people's understanding of socialism and analysis of capitalism are unscientific and do not conform with materialist dialectics. This has led to the formation of rigid structures. Therefore we should not regard structural shortcomings as shortcomings of the socialist system. It is obvious that we should reform the structures and not the socialist system.

Second, we have been correct in criticizing and negating capitalist private ownership because it cannot cope with socialization of the productive forces. We criticized it in the past, criticize it now, and will continue to criticize it in the future. This is a basic experience. We should not think that we cannot criticize the bad and decadent aspects of capitalism in the course of reform and opening up to the world. We are not wrong in criticizing capitalism but the problem is that we have criticized some useful aspects of capitalism. It is incorrect not to assimilate and learn from the useful aspects of capitalism but it is also wrong to transplant the bad aspects of capitalism and introduce overall westernization.

Third, learning from advanced foreign experience, applying the law of value, exercising market regulation, carrying out competition, introducing the leasing system, and stressing the role of economic impetus do not mean emulating capitalism. These common characteristics of human society should not be entered in the "capitalism" account. The bourgeoisie can use these to serve the capitalist economy and we can also use them to serve socialism. The capitalist system is a private ownership system, as is the feudal system. But why is capitalism superior to feudalism? Because capitalism abides by the commodity economy, an open economy commonly practiced by all kinds of human societies.

Without an explicit understanding of the above problems, "leftist" and rightist mistakes may possibly occur, or either learning from the useful aspects of capitalism will be regarded as emulating capitalism or "overall westernization" will be introduced under the pretext of learning from common characteristics. Some people say that "socialism with Chinese characteristics means a socialist shelf with capitalist goods." This is a confused understanding.

Commentator Views Private Enterprise System

HK0809122789 Beijing RENMIN RIBAO in Chinese
3 Sep 89 p 5

[Commentator's Article: "Strengthen Supervision and Management, Promote Healthy Development"]

[Text] Recently, the State Administration for Industry and Commerce and the State Taxation Bureau successively issued the "Circular on Strengthening the Management of Self-employed Workers and Traders and Private Enterprises" and the "Circular on Rectifying the Tax Payment Conditions of Urban and Rural Self-employed Workers and Traders." The state authorities are now beginning to strengthen supervision and management over self-employed workers and traders and private enterprises in order to further improve and rectify the economy, protect lawful businesses, check lawbreaking and irregular practices, and ensure the healthy development of this economic sector.

It is necessary for the state departments concerned to adopt these timely measures. However, some people fear that the policies may change and that the government may not allow the individual and private economy to continue to exist and develop.

This is a misunderstanding. Since the 3d Plenary Session of the 11th CPC Central Committee, especially in recent years, under the guidance of the reform and opening up policy, the individual and private economy in both urban and rural areas has been developing rapidly. By the end of 1988, the number of self-employed people reached over 23 million, and the number of private enterprises exceeded 40,000. Practice has shown that a certain degree of development of the individual and private economy will help promote production, enliven

markets, create more jobs, and provide more conveniences for the masses in their daily lives. So the individual and private economy has become a necessary supplement to the public economy in our country.

However, it must also be pointed out that some new problems have also appeared alongside the development of the individual and private economy. Some problems have not been properly solved yet. Some people among the private enterprise owners lacked proper trade ethics and employed illegal means to impair the interests of consumers. Some of them even rigged and cornered the market, raised prices at will, engaged in smuggling, sold smuggled goods, and played other tricks to reap staggering profits. The problem of evading taxes also widely existed to a serious degree. Some people squandered money in lavish dining and drinking or even in visiting prostitutes and gambling after they reaped windfall gains by unscrupulous and foul means, thus seriously disrupting public order and corrupting public conduct.

These problems have also aroused strong resentment among the masses, and have a negative impact on the mood of workers in state-owned enterprises as well as people in all walks of life. They are in fact some major social problems, and we must pay serious attention to them.

The reform and opening up policy will not change, and the policy of allowing the individual and private economy to exist and develop will not change. However, it must be emphatically stressed that the diverse economic elements, including the individual and private economy, should be developed under the premise of ensuring the dominating position of the public economy. Diverse distribution forms should also be subject to the premise of taking distribution according to work as the main form. Our policy will continue to encourage some people to get rich first through honest work and lawful business operation while ensuring all people will get rich together.

At present, we should formulate and perfect the relevant laws and policies as soon as possible so as to guarantee the legitimate interests of self-employed workers and trades and private enterprises and ban illegal businesses and illicit income sources. On the other hand, we should also strengthen education, guidance, supervision, and management. The industrial and commercial administrative departments in all localities should join other departments concerned in inspecting and screening the businesses run by self-employed workers and trades and the private enterprises in an all-round way. If these people and enterprises are found being involved in the turmoil and rebellion or in the cases of engaging illicit transactions and reaping illicit profits, they should be criticized, admonished, fined, and penalized according to the seriousness of their cases. The ill-gotten wealth should be confiscated; those involved in serious cases should be closed down or their business licenses should be revoked. Those who offended the criminal law should be brought to the court for punishment. We should tell

self-employed workers and traders and private enterprises to pay taxes according to the rules, and must resolutely check the practice of evading taxes or refusing to pay taxes. We should more effectively collect taxes from self-employed workers and traders and private enterprises. This will not only help increase the revenue of the state, but will have a major bearing on adjusting the lopsided distribution of social wealth and improving public conduct. So it is also a political issue concerning social stability and unity. It is necessary to conduct patriotic, law, and trade ethics education among self-employed workers and traders and among owners and employees of the private enterprises, and to strengthen supervision and management over them so that they will abide by the laws in their business and will get rich through honest work. This will not only be beneficial to the state and to society, but will also be beneficial to themselves. It is believed that through the efforts of all parties concerned, the individual and private economy in our country will develop along a correct course, and the self-employed people and private enterprise owners will make greater contributions to the state.

Song Jian Commends Quality Control Achievements

OW1009075089 Beijing Domestic Service in Mandarin 2130 GMT 31 Aug 89

[Text] Four hundred eighty-four activists who have paid attention to quality control and made important contributions to China's economic development received the honor title of outstanding quality controller yesterday [31 August]. Ni Zhifu, vice chairman of the National People's Congress [NPC] Standing Committee, and State Councillor Song Jian issued the honor title certificates to them.

A national meeting on summing up the last 10 years' experience in quality control closed yesterday. During the meeting, the China Quality Control Association awarded prize cups and certificates to 51 leading comrades of some ministries and commissions of the State Council and some provinces, municipalities, and autonomous regions who pay attention to and actively support the quality control work. Song Jian addressed the meeting on behalf of the State Council.

He said: The congratulatory letters from General Secretary Jiang Zemin and Premier Li Peng to this meeting have pointed out the direction of our future quality control work. We should take a further step to implement the principle of improving the economic environment and to rectify the economic order, and to seriously investigate and penalize fake and inferior products. The problem of quality control, particularly the problem of fake and inferior products, has become a serious social problem. For this reason, the China Quality Control Association and the Users' Committee should make more efforts to check on fake and inferior commodities in the market and give full play to the supervisory role of the society and mass organizations to protect the legitimate rights and interests of users and consumers.

He suggested that a legal service department be set up to help users with regard to law suits and to expose and punish the producers of fake and inferior products.

Song Jian Discusses Rural Service Network

OW1009035289 Beijing XINHUA Domestic Service in Chinese 1209 GMT 9 Sep 89

[“Local Broadcast News Service”: by reporter Fan Ping (5400 1627 and correspondent Liu Jinlin (0491 6855 2651)]

[Text] Beijing, 9 Sep (XINHUA)—Song Jian, state councillor and minister of the State Science and Technology Commission, recently expressed his views on the work of rural supply and marketing cooperatives in China. He pointed out: Supply and marketing cooperatives must regard science and technology as the mainstay. They must rely on China's superiority in the field of science and technology, organize the peasants and serve them, form a complete service network and lay a foundation for carrying out structural reform in the countryside.

In mid-July this year, Vice Governors Zhang Runshen and Zhen Fude in Hebei Province wrote an article, entitled: “Take Science and Technology as the Mainstay. Rely on Supply and Marketing Cooperatives and Improve the Service Network in Agriculture.” The article pointed out: Taking science and technology as the mainstay, relying on supply and marketing cooperatives, forming a service network in agriculture, and following the path of agricultural cooperation is the way for China to change from a natural economy to a commodity economy and from traditional agriculture into modern agriculture. It is an important step that China must take in carrying out second-stage reform in the countryside.

After reading the article written by Zhang Runshen and Zhen Fude, Song Jian pointed out: Supply and marketing cooperatives are one of the basic strongholds for the development of a commodity economy on a large scale with science and technology as the mainstay. It is hoped that all comrades who work for marketing and supply cooperatives would fully realize this point.

Song Jian said: Supply and marketing cooperatives may employ a certain number of scientific and technical personnel to offer technical services before, during, and after production such as running seed stations; procuring, processing and selling products; developing a market; conducting dialogue with the government; and seeking government assistance.

Statistics Reflect Trade Development

OW0909133589 Beijing XINHUA in English 1218 GMT 9 Sep 89

[Text] Beijing, September 9 (XINHUA)—Starting from a dozen socialist nations in the early 1950s, China has now achieved an extensive network of trade partners covering 184 countries and regions.

Four decades after regaining customs control from foreign powers, China has built an unprecedented external trade sector that is opening up to the whole world no matter what the social system or development level of a country or region.

In 1988 imports and exports of the country totalled 102.8 billion U.S. dollars in value, representing a 90-fold increase over the 1.135 billion U.S. dollars in 1950 and an annual growth of 12 percent over the past 40 years.

If the first 30 years of the People's Republic could be characterized as a bumpy start for China's foreign trade, the reform and open policy adopted since 1978 have injected new dynamics into the sector.

Foreign trade in the past decade went up four times, with an average annual growth of 17.4 percent, which not only exceeded the growth rate in the first 30 years but also outpaced the average growth of world trade in the period.

China's foreign trade is becoming increasingly important to the global trade balance, with its total volume jumping to the 12th-biggest in the world in 1987 from the 28th in 1978.

Reforms of the foreign trade structure in the decade provided more incentives to export manufacturers and trading firms. China now boasts 5,000 firms that are engaged in overseas trade and an extensive sales network overseas.

In 1978 there were only 16 products whose export value exceeded 100 million U.S. dollars each. The figure however rose to 61 last year, with 11 products each winning back well over 500 million U.S. dollars.

The export composition is also shifting in China's favor, with the proportion of primary products in total exports falling from 1978's 53.3 percent to 30.7 percent last year, while the export of manufactured products has increased by a big margin. China has also been engaged in exporting technology in some areas for the past few years.

Number of Foreign Investment Contracts Noted

*OW0909113189 Beijing XINHUA in English
0551 GMT 9 Sep 89*

[Text] Beijing, September 9 (XINHUA)—China has signed 16,377 contracts and agreements involving foreign investment worth a total of 78.51 billion U.S. dollars in the last nine years, according to the "PEOPLE'S DAILY" today.

The funds came from 39 countries and regions. The main investors are from Hong Kong, Macao, Japan and the United States.

In the past two years more and more Taiwan businessmen have come to the mainland to set up enterprises.

Among the Sino-foreign joint ventures, 85 percent are productive enterprises and a considerable number are producing high-tech and export products.

Commercial Bank Raises Funds for Enterprises

*OW0909113389 Beijing XINHUA in English
0147 GMT 9 Sep 89*

[Text] Beijing, September 9 (XINHUA)—China's Industrial and Commercial Bank has just raised 5.2 billion yuan for state-owned large and medium-sized enterprises, according to "CHINA DAILY" today.

Many of these enterprises are suffering from an acute shortage of funds in face of the country's austerity policy to combat inflation, which stood as high as 18.5 percent last year.

There are about 9,900 large and medium-sized state-owned industrial enterprises in China and their industrial output value and original fixed assets made up 50 percent and 56 percent respectively of the nation's total.

Presently, many of them are mired in debt, both to banks and to other enterprises. The figure now totals 108.5 billion yuan (29.3 billion U.S. dollars).

In the coming months, the bank, a major source of loans for the country's industries, will continue to raise funds by calling in loans from economically poor enterprises, mostly small businesses losing money due to poor management, and relend the money to the state-owned large and medium-sized enterprises.

Since its establishment in 1984, the bank has given high priority to state-owned industrial enterprises, especially large and medium ones when granting loans.

By August this year, the bank had granted more than 200 billion yuan (about 53.76 billion U.S. dollars) in loans to state-owned industrial enterprises, or 2.6 times the figure in 1984.

About 6,700 large and medium-sized enterprises in the country have established stable credit relations with the bank. About 65 percent of their running or day-to-day production funds are supplied by the bank, the paper said.

Urumqi Hosts National Meeting on Gas Use

*OW1109061689 Beijing XINHUA in English
0531 GMT 11 Sep 89*

[Text] Urumqi, September 11 (XINHUA)—More than 43 million people are now using gas in China's cities, 40 percent of China's total urban population, according to a recent national meeting on gas utilization held in Urumqi, capital of the Xinjiang Autonomous Region.

In the early period of the founding of the People's Republic, only Shanghai and few cities in Northeast China had gas systems with about 400,000 people using gas.

The gas industry has now become an important part in building modern cities. From 1980 to 1988, more than 60 cities installed gas systems for domestic use, using surplus industrial gas.

Now the whole country boasts more than 200 gas companies which supply 10.3 billion cubic meters of gas each year. The number of people using gas is increasing at a rate of 5 million a year.

China has established a network for utilizing natural gas, liquidized petroleum gas, coal gas and heavy oil gas.

Peasant Laborers Fill Industrial Vacancies

OW0909140289 Beijing XINHUA in English
0747 GMT 9 Sep 89

[Text] Beijing, September 9 (XINHUA)—About 30 million farmers have left the land to work in China's more developed areas since the beginning of the 1980s, according to the "PEOPLE'S DAILY" today.

Most of them go to advanced eastern and southern coastal areas, the Yangtze and Pearl River deltas, and newly-developed economic districts, as well as Hainan Island, the paper noted.

In cities, they usually take dirty, hard, harmful and risky jobs which urban dwellers shun.

Some peasants repair shoes or umbrellas or make furniture. Others peddle fruit and vegetables.

However, the paper said, they give rise to social problems when they move to the cities, especially worsening the already overstretched transportation situation.

The paper revealed that most peasant laborers come from Sichuan, Henan, Hunan, Hubei, Shandong, Anhui, Jiangsu, Zhejiang and Jiangxi Provinces.

Port Network Develops Capacity, Services

OW1109083689 Beijing XINHUA in English
0800 GMT 11 Sep 89

[Text] Beijing, September 11 (XINHUA)—China now boasts a network of 600 large, medium and small ports along its 18,000-km coastline. In 1949 when the People's Republic was founded, there were only 50.

There are 1,200 docks and berths, including 250 wharfs with up to 10,000 dwt handling capacity each, have a total handling capacity of 500 million tons.

The total number of deep-water berths at present is four times more than in 1949 and overall port shipping capacity has increased over 100 times.

There are now 44 ports open to foreign vessels along China's coastline.

The largest foreign trade ports in China are Shanghai, Dalian, Tianjin, Qingdao and Guangzhou. And the biggest coal terminal is the Qiluanguangdao port in north

China's Hebei Province, which has an annual handling capacity of 15 million tons and is ranked as one of the world's largest.

Chinese ports now handle 90 percent of the country's imports and exports. In 1988, Chinese ports handled a total of 17,000 foreign vessels.

Almost all ports and berths have been mechanized, in sharp contrast to the make-shift wharfs and docks existing at the founding of New China.

The port construction still continues. This year China will put 44 new docks, including 26 deep-water docks, into operation. During the Seventh Five-Year Plan period (1986-1990), China plans to build 200 berths, including 120 deep-water wharfs.

Railway System Continues Expansion

OW0909143089 Beijing XINHUA in English
1203 GMT 9 Sep 89

[Text] Beijing, September 9 (XINHUA)—Chinese railways now snake and stretch into almost every corner of the country, with a total mileage of 54,000 km, triple the figure in 1949 when the People's Republic of China was founded.

The most vital means of transportation in China, Chinese railways transport 71 percent of China's total cargoes and over 60 percent of all passengers.

The handling capacity is 1.41 billion tons of cargo and a ridership of 1.14 billion a year.

In 1988 Chinese railways moved a total of 1.4 billion tons of cargoes and a ridership of 1.22 billion.

The major rail transportation arteries are the Beijing-Shanghai, Beijing-Guangzhou and Lianyungang-Lanzhou lines.

In recent years the percentage of electrified railways and double tracks have been increasing rapidly.

Starting from scratch, electrified railways now make up 12 percent of the total length. Today the 15 electrification lines with a total of 6,185 km bear 13.6 percent of the railway's total transportation volume.

Meanwhile, about 7,000 km of rails have been double-tracked during the past 40 years. They now transport over 30 percent of the railway quotas.

China now boasts a network of 12 major railway bureaus, 56 sub-bureaux and over 1,000 railway stations or terminals. The total number of trains is 17,000.

At present, diesel and electric engines make up 70 percent of Chinese railways' hauling power. Steam locomotives in operation are being replaced by electric and diesel engines. The pulling capability of Chinese locomotives is now close to the advanced world level.

Recently China's first air-conditioned double-decker train went into operation on the Nanjing-Shanghai railway line. The train consists of 10 hard-seat carriages and one soft-seat carriage, with one special compartment providing electricity for them. It carries over 50 percent more passengers than conventional trains.

Civil Aviation Industry Continues Growth

*OW0909110389 Beijing XINHUA in English
0151 GMT 9 Sep 89*

[Text] Beijing, September 9 (XINHUA)—Starting almost from scratch, China's civil aviation industry has come of age over the past 40 years, with a fleet of 210 medium-sized and large airplanes.

Among them, 160 are the latest designs such as the B-737, B-747, B-757, B-767, MD-82, A-310, Tu-154 and BAE-146, imported or rented from the world's major aircraft manufacturers. The rest are Chinese-made YUN-7s and Soviet-made An-24s.

At present, China boasts an annual carrying capacity of 20 million passengers. And in 1988, Chinese civil carriers moved a total of 14.4 million passengers, an increase of 6.2-fold compared with 1979.

Chinese airlines now operate on 350 routes, including 35 international ones connecting China with 38 cities in 28 countries and regions in Asia, Africa, Europe, America and Oceania. There are 25 foreign airlines operating to China.

The largest airline in China is the Civil Aviation Administration of China (CAAC), which is currently undergoing a structural reform aimed at setting up six large, independent airlines and separating administration from enterprise operations. Up to now, four of the six airlines—including Air China in Beijing, Eastern Airlines in Shanghai, Southwest Airways in Chengdu and Northwest Airways in Xian—have started operations. Two others, China South Airlines and China North Airways, based respectively in Guangzhou and Shenyang, are expected to be set up before the end of this year.

China also has 18 local airlines, with China United Airlines as the biggest. A joint effort of the State Planning Commission and the Chinese Air Force, the airline boasts a fleet of over 30 aircraft.

Since 1978, more than 30 airports have been built, expanded or modified. Now, a total of 90 airports are in operation, among which 25 can accommodate MD-82s, and 47 can handle B-737s. The largest airports are the Beijing International Airport and Shanghai's Hongqiao International Airport.

Despite the nationwide austerity program, China plans to buy 90 airliners and jumbo jets to modernize its civil aviation fleet in the next five years.

He Kang Urges Science, Agricultural Cooperation

*OW1009043089 Beijing Domestic Service in Mandarin
0930 GMT 25 Aug 89*

[Text] At the second plenary session of the Scientific and Technological Commission of the Ministry of Agriculture, Minister He Kang urged once again that the three major systems of agricultural education, scientific research, and promotion further strengthen their cooperation in a bid to provide better service to agricultural production by the scientific research department.

It was felt that a situation wherein close contacts among China's agricultural education, scientific research, and promotion departments were lost had long existed. More than half of the results of scientific research were not disseminated rapidly and effectively, which, in turn, has caused a great loss both to the scientific research department and agricultural production.

For this reason, He Kang asked the Scientific and Technological Commission of the Ministry of Agriculture to support the coordinating work of the three major systems of education, scientific research, and promotion in the future. He expressed his hope that all localities will establish corresponding organizations for coordination, according to their own concrete situation. These three major systems must seek areas where they can come together or join together through some major projects which are now being implemented, such as agricultural regional development programs, various construction projects for agricultural bases, and the project of supplying sufficient quantities of nonstaple food.

Meanwhile, the three major systems can also join their efforts in an attack on key scientific and technological problems which have appeared recently in our agricultural production. In this way, they can fully exploit their own advantages and further promote China's agricultural production.

Official Outlines Rural Enterprise Realignment

*OW1109070889 Beijing XINHUA in English
0554 GMT 11 Sep 89*

[Text] Beijing, September 11 (XINHUA)—Inefficient rural enterprises that waste power and raw materials and cause pollution will be closed, according to Vice-Minister of Agriculture Chen Yaobang.

The Agriculture Ministry has recently made some suggestions for guiding the smooth development of China's 18.8 million rural enterprises, said the vice-minister.

The speed of development of rural enterprises must be moderately lowered to coordinate their development with that of state-owned enterprises, Chen said.

Investment rural enterprises must be firmly controlled. Except for export-orientated rural enterprises or those that process agricultural and non-staple goods or those

which produce daily necessities in short supply, all other new enterprises must be stopped, the official noted.

Deficit ridden enterprises with poor management and enterprises which produce substandard products must be closed immediately, Chen said.

The contract responsibility system of rural enterprises must be perfected and technological innovation must be strengthened, the official stressed.

Recommendations Made for Agricultural Development

HK1109072189 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 28 Aug 89 p 1

["Letter from Beijing" by Bao Xin (7637 0207): "How To Promote China's Agriculture"]

[Text] Dear Brother,

In the 10 years of reform and opening up, China has achieved universally acknowledged successes in agriculture, winning the acclaim of personages at home and abroad. In recent years, however, China's agriculture has indeed stagnated. How should China's agriculture be further promoted? This is a question that you mentioned repeatedly in your letter.

Now I can tell you the following: It has been reported that the science, technology, and agriculture conference held in China not long ago deliberated the question of supporting great agriculture with great science and technology. Great science, technology, and agriculture include the processing of agricultural produce, agricultural mechanization, and farm pesticides, as well as high-grade biology, biological engineering, and molecular biology. It is expected that basic and high-tech research departments will focus their attention on agricultural research and that investment in agricultural research will be increased in various scientific research plans. The Chinese Academy of Sciences, Academy of Agricultural Science, and Ministry of Agriculture support the slogan of great science and technology supporting great agriculture.

The relevant state departments tentatively plan to invite scientists to train scientific and technological personnel for rural areas. From the medium and high level scientific and technological workers who have taken part in tackling key agricultural problems, we can select a number of senior secondary school graduates or demobilized servicemen who were not able to attend institutions of higher learning to join the key task team and tackle problems with scientists. They may attend evening classes to make up for the basic courses. In a few years, they will have been trained into becoming county level agrotechnical mainstays who will stay in the rural areas. From a long-term point of view, this is a very important policy.

Moreover, it is necessary to assist the scientific and technological work of state farms so that they can play an

exemplary role in agricultural production. State farms have sound technological foundations, good organizational discipline, and a complete scientific and technological management system. The scientific and technological workers of the Chinese Academy of Sciences and the provincial Academy of Sciences should help the state farms and reclamation areas develop science and technology and make the most of their advantages. Meanwhile, the farm scientific research departments should also open themselves to the localities and surrounding counties and spread the advanced science and technology of the farms to the rural areas. They may also invite peasants to take part in farm key task teams and train technological mainstays for the rural areas.

The state farms and the large reclamation areas themselves constitute a force promoting the rapid development of agriculture. Whether China's agriculture can be promoted within a period of time and increase the grain output from the current 400 billion kg to 500 billion kg is the key question in determining whether the country and nation can further develop during the next decade. In this regard, the state farms and reclamation areas will play a decisive role. The agricultural reclamation of the Sanjiang Plain in the northeast alone can prove this point. As it is adjacent to the famous "Great Northern Wilderness," it has increasingly attracted the attention of the government. If each mu can turn out 100 jin of grain, the total cultivated area of 50 million mu will turn out 5 billion jin of grain. This figure indicates that any crop failure in the provinces can be made up by a bumper harvest here. The government has made preparations to organize forces to reclaim the fertile land here. This will be of great significance in promoting China's agriculture.

Naturally, the efforts of state farms alone are not enough. In the modernized agriculture of socialism, we should avoid the state of a natural economy. Since a natural economy is a closed type economy which cannot draw on new technology, it can hardly achieve efficiency of scale. A commodity economy requires operation and management of scale. To overcome these difficulties, a number of people have proposed adopting agricultural cooperative associations to meet the needs of building modern agriculture. Specifically speaking, it means becoming organized and establishing an overall service system. The associations can be elected. At the beginning, some cadres may be assigned by the government, and every household will pay some membership dues. Later, a council may be elected through democratic procedures in order to give technological guidance, offer pre- and post-production services, engage in market development and post-production processing, and provide systematic scientific and technological services. Meanwhile, the level of various technological associations will be gradually upgraded, and a scientific and technological network will be established to guide and organize scientific and technological workers to serve the specialized peasant households. Different from the production teams of the past, the cooperative associations, which can transcend

counties and even regions, will be advantageous to developing socialized production. When the associations are invigorated and have become entities, we can also run processing factories and set up sales and service centers and seed multiplication farms. The associations can employ large numbers of scientific and technological personnel to upgrade the production and technological level of agriculture. The agricultural technological cooperative associations will be set up under the principle that the contracted responsibility system based on households will remain unchanged. They will be different from the agricultural cooperatives and people's communes of the 1950's in which everything belonged to the collective. They will constitute an internal structure based on the contracted responsibility system, which will be advantageous to scientific and technological progress. It has been reported that the relevant state departments have drafted a constitution for the agricultural technological cooperative associations, which will be put on trial implementation in a number of provinces.

Can China's agriculture be promoted in the next decade? We should continue to mainly rely on scientific and technological progress. In turn, the development of science and technology requires a high degree of specialized production. If we engage in specialized production without a certain organizational structure and operation of scale, it will be difficult to promote technological progress in trades. Therefore, a number of people have placed high hopes on the agricultural technological cooperative associations, expecting that China's agriculture will be promoted through this form. What do you think about this? [Signed] Bao Xin 20 Aug

Workshop Discusses Loess Plateau Erosion

OW0909101989 Beijing XINHUA in English
1011 GMT 8 Sep 89

[Text] Beijing, September 8 (XINHUA)—The Loess Plateau in China's northwest loses as much as 1.6 billion tons of mud and sand into the Yellow River every year.

"For hundreds of years China was unable to control the soil erosion. But it is now possible to bring this problem under control," a Chinese scientist said here today, the last day of an international workshop on soil conservation research in the loess region of China.

With a comprehensive network of 30 soil and water conservation research stations and over 500 experimental areas, China now has got to grips with soil erosion in this area, said Ding Lianzhen, senior engineer and secretary-general of the International Research Training Center on Erosion and Sedimentation.

Over the past 40 years, he said, China has harnessed a total area of over 100,000 sq km in the Yellow River basin, 20 percent of the soil-erosion area. About 6.6 million ha of the land have been planted with trees and grass. And as many as 3.7 million ha have been transformed into farmland.

As a result, the sediment lost into the Yellow River has been reduced by 200 million tons a year.

More than 100 Chinese and foreign experts attended the workshop which began September 5, and over 90 theses were read. Many participants suggested that China make a comprehensive plan and take population, economy and environment into consideration of controlling soil erosion of the Loess Plateau.

East Region

Fujian Overseas Trade Talks Conclude

OW1209203389 Beijing XINHUA in English
1418 GMT 12 Sep 89

[Text] Xiamen, September 12 (XINHUA)—The four-day third round of trade talks on overseas investment in Fujian Province, east China, which closed here Monday afternoon, resulted in the signing of 534 contracts and 201 agreements and letters of intent.

According to the contracts, overseas businessmen will invest a total of 936 million U.S. dollars in the Chinese province. The Chinese partners include prefectures and cities of Fujian Province, the Ministry of the Machinery and Electronics Industry and the Ministry of the Aerospace Industry.

Participating in the talks were more than 2,200 businessmen from 22 countries and regions, including the United States, Britain, France, Japan, Canada, Singapore, the Philippines, Australia, Taiwan, Hong Kong and Macao.

Moreover, through the meeting here, foreign participants had a better understanding of the situation in China. They saw with their own eyes during the talks that China is still making efforts to open to the outside world and all the overseas-funded enterprises in the country are in regular operation since the quelling of the counter-revolutionary riots in Beijing and of the turmoil in other places in early June.

A U.S. businessman said: "I did not know what was waiting for me before I arrived in China. When I got to Xiamen, however, I found the people here were so sincere and friendly." He said that after returning to his country, he would tell other businessmen what he had seen and heard here and urge them to invest in Fujian Province.

Jiangsu Leaders Address Rural Work Meeting

OW1309181889 Nanjing XINHUA RIBAO in Chinese
30 Aug 89 pp 1, 2

[By reporters Qu Yiling (4234 2011 3781) and Huang Bingsheng 7896 4426 3932]

[Text] While the Jiangsu provincial conference on rural work was still in session, Han Peixin, Chen Huanyou, Deng Hongxun, Sun Jiazheng, Cao Hongming, Ling Qihong, Wu Xijun, Zhou Ze, and other leaders of the Jiangsu provincial party committee, the Jiangsu provincial people's government, and the Advisory Commission of the Jiangsu provincial party committee met with officials in charge of rural work of all municipal party committees and governments to hear their reports yesterday afternoon. Han Peixin, secretary of the Jiangsu provincial party committee, and Chen Huanyou, governor of Jiangsu, made important speeches at the

meeting. The ongoing provincial conference on rural work opened in Nanjing on 28 August.

Han Peixin stressed in his speech: All party committees and governments must clearly realize the grim situation of rural work, fully realize the important role played by agricultural production and rural economy in Jiangsu's economic development, attach great importance to rural work, earnestly lead agricultural production and rural economic work, seriously implement all policies and key measures, and strive to seize a bumper harvest this fall and next year to ensure stable economic development in rural areas.

Han Peixin pointed out: Jiangsu's rural economy has developed significantly since the 3d Plenary Session of the 11th CPC Central Committee thanks to the efforts made by the vast number of cadres and people under the leadership of party committees and governments in Jiangsu. However, we must also realize the grim economic situation in Jiangsu's countryside, especially in these three areas. First of all, rural reform proceeds with relative difficulty, owing to the unfinished projects of the first-stage rural reform and the many problems caused by incompatible supporting measures during the second-stage reform. Second, unsatisfactory agricultural production this year—and especially grain and cotton production—has in one way or another weakened the material foundation of next year's economic development and adversely affected the planning of next year's industrial production, market supply, foreign trade, revenues, improvement of people's livelihood, and economic development as a whole. Third, the development of township industry now faces a grim and complex situation. Jiangsu's steady development in agricultural production in recent years could be attributed to a large extent to the support from township industry. Unfortunately the development of township industry in Jiangsu has encountered great difficulty this year. The noticeable drop in profits has seriously restricted township industry's support for agriculture. Thus, all party committees and governments must attach great importance to the seriousness of the agricultural situation and make every effort to make rural economic work a success by calmly summing up experiences and planning ahead.

Han Peixin stressed: Leadership is essential for improving rural work. We must, first of all, properly coordinate the operation of all departments in charge of the rural economy to provide stronger leadership. We must especially provide stronger centralized leadership over the departments in charge of agricultural production, circulation, banking affairs, processing of agricultural goods, and production of industrial goods for agricultural use—departments closely related to the rural economy. Meanwhile, we must intensify spiritual construction in rural areas so that spiritual and material construction will proceed simultaneously.

Han Peixin urged all localities to continue to carry out measures for increasing the output of fall-ripening crops, step up latter-stage management, and make every effort

to increase unit output of fall crops so as to make up and minimize the losses of summer crops. To lay the foundation for a bumper harvest—especially the summer ripening crops—next year, we should draw up fall production plans and make the necessary preparations under the goal of “boosting grain and cotton output and ensuring the supply and harvest.”

Chen Huanyou urged all cities, counties, and departments to pay serious attention to agricultural production and rural work, improve their guidance, understand of the fundamental role of agriculture, and earnestly place agriculture on a proper position to ensure the growth of agricultural production. He said: We should regularly study the new situation and new problems emerging in agriculture and rural economic work, and solve these problems in a timely manner. We should earnestly implement all policies, keep all promises, and readjust certain policies according to needs and practicality so as to protect and arouse the producers' production enthusiasm. We should improve the planned guidance for agriculture so that farming plans, procurement, and allocation of major crops can be implemented. Cadres and peasants must take the interest of the whole into account, help the country deal with problems, and make even greater contributions. All trades and professions must adopt an overall point of view, unify their thinking, heighten the consciousness and sense of responsibility of supporting agriculture, and take actual steps to support agriculture. Industrial, scientific, and technical departments must have foresight, be well informed about agricultural production trends, and be ready to provide timely support and guidance for agricultural production. We can expect steady agricultural growth only when all quarters attach importance to agriculture and support it.

Shandong Secretary Attends Party School Opening

SK1209112089 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 5 Sep 89

[Text] In his speech at the ceremony to signal the beginning of the 1989 autumn semester of the party school under the provincial party committee on the morning of 5 September, Jiang Chunyun, secretary of the provincial party committee and president of the party school, emphasized that party cadres at various levels should study hard to grasp the weapon of Marxist theory and fight for realizing the tasks defined by the party under the new situation.

Jiang Chunyun said: Whether or not we persistently take Marxism-Leninism-Mao Zedong Thought as guidance is a matter of great importance that has a bearing on the fate and the future of the party and the state. Comrade Mao Zedong said that the CPC is the key force in guiding our undertakings, and Marxism and Leninism are the theoretical base for guiding our ideology. The leadership of the party is the core of the four cardinal principles while Marxism-Leninism-Mao Zedong Thought is the theoretical base of the four cardinal principles; the ideological cornerstone to unite with the whole party, the

whole army, and the people to make advances; and the powerful spiritual pillar of the whole nation. China should attribute its successes in revolutionary and construction undertakings to Marxism. Historical practices showed that whether or not we persistently take Marxism-Leninism-Mao Zedong Thought as a guidance is a matter of great importance that has a bearing on the fate of the party, the state, and the nation, and on successes in our undertakings.

Jiang Chunyun stressed in his speech that we should regard the study of Comrade Deng Xiaoping's works as a powerful theoretical weapon to unify the thinking and actions of the whole party.

Jiang Chunyun said: With eminent achievements, Comrade Deng Xiaoping is a proletarian revolutionary of the older generation. He plays a key role in the leading collective of the party Central Committee, which was composed of the people of three generations through the development of the party's history from the Zunyi Meeting. He is familiar with the true essence of Marxism-Leninism-Mao Zedong Thought and is good at linking the general Marxist and Leninist principles with China's specific revolutionary and construction conditions. He is an example for linking the general Marxist and Leninist principles with China's specific practices, and a founder to build a socialist theory with Chinese characteristics. Most of the 12 basic viewpoints of building socialism with Chinese characteristics, summarized at the 13th party congress, were set forth by Comrade Xiaoping by concentrating the wisdom of the whole party and developing a series of scientific theories, such as Marxism-Leninism-Mao Zedong Thought. Comrade Deng Xiaoping's works are the scientific summation of the experiences in administering the party, the state, and the Army that he had accumulated over a long period of time; an example for linking Marxism and Leninism with China's practices; a key component of Mao Zedong Thought; and a Marxist theory of the most realistic and important significance to building socialism with Chinese characteristics. To study Marxism-Leninism-Mao Zedong Thought, we should place the study of Deng Xiaoping's works in a prominent position. Conscientiously and solidly studying the works is not only a requirement for launching a complicated political struggle at home and abroad, but also an urgent need to promote China's reforms, opening to the outside world, and modernization.

In his speech, Jiang Chunyun urged that party cadres at various levels should persistently use the Marxist stand, viewpoint, and method to eliminate and correct various kinds of confused and wrong ideas.

Jiang Chunyun said: Affected by Comrade Zhao Ziyang's serious mistakes and the thinking of bourgeois liberalization, the ranks of party cadres have weakened and neglected the education on Marxist theory. As a result, the ideological and theoretical work has been thrown into great confusion. Such a situation cannot continue any longer. We must use the Marxist stand,

viewpoint, and method to eliminate and correct various kinds of confused ideas and wrong viewpoints. The so-called theories of being out of date, useless, and practical [as heard] and the theory of contradiction between workers and intellectuals should be eliminated and corrected.

Jiang Chunyun said: To study Marxism, we should accurately grasp the scientific, system, and basic principles of Marxism and devote a lot of time and energy to applying Marxism. Although we have established socialist economic and political systems over the past 40 years since the founding of the PRC, the ideological and theoretical front and the ideological field still fail to truly solve the problem in judging whether the proletariat or the capitalist class wins a victory. The contrast between bourgeois liberalization and the four cardinal principles is a prominent manifestation of the class struggle under the new situation. If we make a mess of things, our party and our People's Republic will be in danger of toppling. A task of the utmost urgency that the ideological and theoretical front face at present is observing Comrade Xiaoping's instructions and taking the theoretical weapon of Marxism to criticize justly and forcefully and correct thoroughly the wrong viewpoints and the principles of truth and falsehood that were turned upside down during the turmoil and the counterrevolutionary rebellion, and that resulted from the overflow of bourgeois liberation. We should let socialist and communist ideas occupy the ideological and cultural front, and eradicate the blot of the turmoil from the ideological front.

Jiang Chunyun concluded: In the course of studying Marxism-Leninism-Mao Zedong Thought, we should closely proceed from reality and take the weapon of criticism and self-criticism to purify consciously our thinking; link the study of theories with the transformation of our thinking, the enhancement of party spirit, the work of carrying forward the party's fine traditions, and the fostering of the proletarian outlook on the world and life; and actually build ourselves into communist fighters who are devoted to the party's undertakings, have lofty ideals and morality, pay no attention to fame and fortune, make disinterested contributions, strictly enforce discipline, and maintain administrative honesty.

(Sun Jingxie), secretary of the party committee of the party school and vice president of the party school, presided over the ceremony.

Zhang Quanjing, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission; and Li Zhen, chairman of the provincial People's Congress Standing Committee, also made speeches at the ceremony. Present at the ceremony were more than 800 people, including Mao Fenglin, Li Chunting, Ma Zhongcai, and Tan Fude, members of the Standing Committee of the provincial party committee; and teaching and administrative staff and students of the party school.

Shanghai Mayor Attends Economics Discussion

OW1109044989 Shanghai City Service in Mandarin
0900 GMT 30 Aug 89

[By reporter Jiang Nan, from "News and Weather" program]

[Text] The experience exchange meeting on "double increase, double economy," sponsored by the municipal Economics Commission today, restated: Industrial production for the last 4 months of this year should be carried out to meet the originally set targets. The enterprises' contractual base amounts [of profits and taxes] to be turned over to the state treasury will all remain unchanged.

For this reason, the municipal Economics Commission called on cadres, staff members, and workers of all industrial enterprises in the city to rouse themselves, look inwardly, be eager to take up difficult tasks, and overcome the predicament of fund shortages and overstocking of products currently plaguing industrial production to ensure smooth and stable production.

Yu Pinfang, chairman of the municipal Economic Commission, disclosed at the meeting: Shanghai's industrial production for the first 8 months of this year increased considerably, but still lags far behind the originally set targets. First, local publicly-owned enterprises have developed very slowly, with an increase of only 1.1 percent in the first 7 months of this year; second, foreign exchange earning exports are still on the decline; third, key and controlled products do not sell well on the domestic market, which in turn has fueled the overstocking of products and aggravated funds shortage problems; And fourth, the enterprises' economic effectiveness has fallen short of expectations and their realized profits have continued to decline.

Therefore, the municipal economics commission today introduced four measures to stabilize production. Industrial enterprises are urged to conduct a checkup of warehouses and make better use of stored goods, and to make efforts to quickly lower the overly high product funds. They are also asked to accelerate readjustment of the product structure. Enterprises must try to conserve whatever they can to increase production and try to ease the shortage of energy and raw materials.

Among the four measures, it was stressed: Enterprises must keep their gross payrolls from growing out of hand. Enterprises incurring losses due to factors other than policy errors, or generating poor economic effectiveness because of mismanagement, should not give out bonuses. Those having no sources for their payrolls or scant resources should either not increase or increase to a lesser degree their gross payrolls.

The municipal party committee Secretary and Mayor Zhu Rongji and Vice Mayor Gu Chuanxun attended today's meeting. Zhu Rongji gave an important speech.

Li Zemin Addresses Zhejiang Scientists, Experts

OW1209091189 Hangzhou ZHEJIANG RIBAO
in Chinese 18 Aug 89 p 1

[Text] Leading comrades of the provincial party committee, people's congress, and government yesterday morning attended a forum of young and middle-aged experts in the scientific-technological and management fields who have made outstanding contributions to the country. The forum was held by the provincial Bureau of Scientific and Technological Cadres. The leading comrades discussed ways to carry out the work for intellectuals more successfully under the guidance of the spirit of the 4th Plenary Session of the 13th CPC Central Committee. Li Zemin, secretary of the provincial party committee, stressed: "The party's policy toward intellectuals has not changed, nor will there be any change in the future. Party organizations and governments at all levels should continue to implement conscientiously the party's policy toward intellectuals, as they did in the past. They should show concern for the intellectuals' thinking, work, and life. They should do more concrete things for the intellectuals and enable them to play a greater role in socialist modernization."

Xu Xingguan, member of the Standing Committee of the provincial party committee and vice governor, and Wang Qidong, vice chairman of the Standing Committee of the provincial People's Congress, attended the forum. Present also were 19 young and middle-aged experts in the scientific-technological and management fields who have made outstanding contributions to the country.

Comrade Li Zemin said: Since the 3d Plenary Session of the 11th CPC Central Committee, the vast numbers of intellectuals in our province have made important contributions to the building of socialist material and spiritual civilization. It has been demonstrated through practice that the vast numbers of intellectuals support the party and the socialist system, and that they have stood up to the rigorous tests in the previous struggle—a struggle vital to the destiny of the party and country. Generally speaking, the overwhelming majority of intellectuals did well. Under the influence of bourgeois liberalization and out of ignorance of the truth, some comrades made mistakes in their remarks and deeds during the turmoil. This is largely an issue of ideological awareness. We believe that after studying the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, analyzing and repudiating bourgeois liberalization, and looking at the truth of the turmoil and rebellion, they will seriously and soberly reflect on the events, draw a lesson from their experience, and work for the four modernizations with heightened awareness and enhanced spirit. We should trust these comrades as we do others. As to the very small number of people who participated in the turmoil, that is something of a different nature. We should help the intellectuals bring their role into full play. On their part, the intellectuals should continue to raise their ideological and professional standards, conscientiously uphold the four fundamental principles, and

actively plunge themselves into the struggle against bourgeois liberalization. They should learn from the workers, peasants, and the Liberation Army. They should learn from the practice.

Central-South Region**Liu Jianfeng Elected Hainan Governor****Background Given**

HK1409120089 Beijing ZHONGGUO XINWEN SHE
in Chinese 0630 GMT 14 Sep 89

[Report by reporter Zhao Shengyu (6392 0524 3768): "Liu Jianfeng Is Elected Governor of Hainan Province"—ZHONGGUO XINWEN SHE headline]

[Text] Haikou, 14 September (ZHONGGUO XINWEN SHE)—Liu Jianfeng, deputy secretary of the Hainan Provincial CPC Committee, was elected the second governor of Hainan Province at a meeting held by the Hainan Provincial Conference of People's Representatives here in Haikou this morning.

The CPC Central Committee and the State Council have stripped Liang Xiang, the first and former governor of Hainan Province, of all his official posts within and without the party for his alleged violation of financial discipline.

Liu Jianfeng, who is 53 years old this year, is a native of Tianjin City. In the 1950's, Liu Jianfeng went to the Soviet Union and studied at the Soviet Kiev Engineering Institute's Radio Department. After returning to China, Liu Jianfeng became a technician in the Commission of Science, Technology, and Industry for National Defense, and later became the director of a research institute under the Commission of Science, Technology, and Industry for National Defense. In 1984 Liu Jianfeng was appointed vice minister of electronics industry. In 1988, Liu Jianfeng was appointed the Hainan Provincial CPC Work Committee deputy secretary. In September 1988, Liu Jianfeng was appointed the Hainan Provincial CPC Committee deputy secretary.

People who are familiar with Liu Jianfeng said that although he is relatively staid and sedate, he is a bold, resolute, and competent cadre.

Gives Inaugural Address

HK1409124889 Beijing ZHONGGUO XINWEN SHE
in Chinese 0714 GMT 14 Sep 89

[Report by reporter Zhao Shengyu (6392 0524 3768): "Liu Jianfeng Says: Hainan Should Make a Bigger Stride Forward in Reform and Opening up"—ZHONGGUO XINWEN SHE headline]

[Text] Haikou, 14 September (ZHONGGUO XINWEN SHE)—Today, Liu Jianfeng, the newly elected governor of Hainan Province, pointed out in his "inaugural

address" that Hainan should make a bigger stride forward in reform and opening up.

Liu Jianfeng said that in the last few months, all the principal leaders of the central authorities have repeatedly pointed out that the position of the Hainan Special Economic Zone will not change, nor will the policies adopted by the central authorities toward the Hainan Special Economic Zone. Liu Jianfeng also said that in his meeting with Premier Li Peng at the beginning of this month, the Premier reiterated to him that all the policies adopted by the central authorities will not change, and that it is all the more necessary to ensure the continuity of all these policies toward Hainan. Liu Jianfeng said that Hainan should make the best use of all the existing special policies, adding that Hainan should not think that the existing policies adopted are "not special" and should not fail to make the best use of them.

Liu Jianfeng pointed out that Hainan should orient all its work toward China's overall national situation of reform and opening up to the outside world and adopt a more positive approach. He stressed that Hainan should make a bigger stride forward in reform and opening up to the outside world on the one hand, and more resolutely oppose bourgeois liberalization on the other.

Today, Liu Jianfeng also expounded the principle of "applying policies, laying a foundation, and improving work," which is the principle guiding Hainan's economic development.

In regards to "laying a foundation," Liu Jianfeng said that Hainan should make every possible endeavor to improve its investment environment while making great efforts to strengthen further its hard environment. Liu Jianfeng stressed that Hainan should concentrate all its efforts on improving its social order in order to bring about a fundamental turn for the better in its social order in 1 or 2 years.

Liu Jianfeng said that agriculture is the basis of the foundation. Therefore, Hainan should try to raise its grain self-sufficiency rate from 76 percent at present to about 90 percent within the next 5 years or so.

In regards to "improving work," Liu Jianfeng pointed out that Hainan should make redoubled efforts to improve all types of work and try to achieve better results by strengthening its effective management in a down-to-earth and pragmatic manner.

Secretary Views Liang's Removal

*OW1409150489 Beijing XINHUA in English
1433 GMT 14 Sep 89*

[Text] Haikou, September 14 (XINHUA)—Hainan's basic policies will remain unchanged and its reform and opening will be stepped up, newly elected Governor Liu Jianfeng said here today.

Liu was elected Hainan's governor today at the third session of the Hainan Provincial People's Representatives Conference, following the removal of former Governor Liang Xiang.

Liu said Hainan will continue to implement the preferential policies formulated by the central authorities for the province, make greater progress in reform and opening to the outside world and at the same time fight resolutely against bourgeois liberalization—a trend of thought opposing the socialist road and the Communist Party leadership.

He urged local officials and other people to study the policies and try their best to implement them earnestly.

The governor said Hainan should strive to strengthen its infrastructural facilities, improve the investment environment and develop agriculture for self-sufficiency in grain supply.

Liu said that while formulating development programs and policies for industries, his government would strengthen management of land and mineral resources, exercise unified administration of development zones and foreign trade, and enhance control of companies.

Liu, 53 and a native of Tianjin, served as vice-minister of the electronics industry between 1984 and 1988. He was appointed deputy secretary of the Hainan Provincial Committee of the Chinese Communist Party in September 1988.

Meanwhile, Xu Shijie, secretary of the Hainan provincial party committee and chairman of the Standing Committee of provincial people's Representatives Conference, said the removal of former Governor Liang Xiang would help promote the building of a clean and honest government in Hainan, China's second largest island.

Liang Xiang was accused of abusing his power to seek personal gain and dismissed from all posts by the Party Central Committee and the State Council.

Xu said most of the officials in Hainan are honest, and Liang's removal would not necessarily affect officials who had close contacts with the former governor. "Most of the officials, both those who came from other parts of the country and those who have worked all the time in Hainan, are good and reliable," he added.

He urged all [words indistinct] to learn a good lesson from Liang's mistakes and guard against corruption.

Hunan Secretary Stresses Cardinal Principles

*HK1309010589 Changsha Hunan Provincial Service
in Mandarin 2200 GMT 12 Sep 89*

[Text] Provincial party committee Secretary Xiong Qingquan has stressed that it is essential to step up the study of Marxism-Leninism-Mao Zedong Thought and the works of Deng Xiaoping, strive to improve the ability

to distinguish between right and wrong, adhere fundamentally to the four cardinal principles, and oppose bourgeois liberalization. He said this on 12 September at the opening ceremony of a provincial party school seminar on adhering to the four cardinal principles and opposing bourgeois liberalization.

Comrade Xiong Qingquan said: From April to June this year, a very small number of people made use of the student unrest to whip up organized, planned, and premeditated political turmoil, which developed into counterrevolutionary rebellion in Beijing. In Hunan there was also turmoil, which developed into serious political turmoil. The greatest lesson from all this is that we have not been consistent in adhering to the four cardinal principles or thorough in opposing bourgeois liberalization. In connection with Hunan realities, due to the influence of Comrade Zhao Ziyang, we too have not been consistent and effective enough in adhering to the four cardinal principles. The attitude of certain comrades during this turmoil showed that they lacked mental preparations for this storm. This was specifically expressed in three underestimates of the serious menace posed by bourgeois liberalization; of the international political background to this struggle; and of the fact that the root of the struggle lay in the party, especially in the party's general secretary. However, this struggle has given us a profound political lesson, enabling us to realize that the nature of the struggle was sharp confrontation between the four cardinal principles and bourgeois liberalization; it was a political struggle related to the life or death of the party, the state, and the nation.

Comrade Xiong Qingquan pointed out that to adhere to the four cardinal principles, fundamentally speaking, it is essential to step up the study of the basic theory of Marxism-Leninism-Mao Zedong Thought and strive to enhance the ability to distinguish between right and wrong. Why have we failed to get an accurate grasp in recent years in integrating adherence to the four cardinal principles with perseverance in reforms and opening up, in integrating a planned with market economy, and on various other major issues? Why did the three underestimates emerge in the recent turmoil? Although the answer is linked to the erroneous guidance provided by Comrade Zhao Ziyang, in the final analysis the reason is that our ideological and theoretical levels could not keep abreast with the requirements of developments. Hence, an important task facing our party-member cadres, especially the leading cadres, is to step up study of basic theory of Marxism-Leninism-Mao Zedong Thought.

At present, we must in particular step up study of Comrade Deng Xiaoping's thought and theory on building socialism with Chinese characteristics. The most important thing in studying Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's works is to study their stand and methods in observing things. At the same time, study should be linked with the current reality of reform. We should

concentrate on serious study in conjunction with implementing the spirit of the fourth plenary session and opposing bourgeois liberalization.

This seminar class is being jointly run by the provincial party committee's Organization Department, Propaganda Department, and party school, with the approval of the provincial party committee. Over 100 responsible persons from the provincial departments and bureaus, and the prefectural, city, and county party committees will take part in the 20-day course and hold discussions on various topics.

Southwest Region

Sichuan Secretary Speaks on Party Building

HK1509052789 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 14 Sep 89

[Excerpts] On the morning of 14 September, leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, and the government held a forum with comrades attending the meeting of Organization Department directors of prefectural and city party committees to discuss strengthening party building. [passage omitted]

Yang Rudai, secretary of the provincial party committee, made an important speech in light of the problems raised by the comrades during the discussion. He said: Not long ago our party underwent a severe test when student unrest in Beijing developed into turmoil and eventually into counterrevolutionary rebellion. Taking a comprehensive view, our party organizations and the party members are good, and ours remains a great Marxist-Leninist party, which is the decisive force in preserving political stability in China and the strong core leading the people of all nationalities to build socialism with Chinese characteristics.

Yang Rudai said: In particular, as a result of our recent studies of Comrade Deng Xiaoping's important speeches and the spirit of the 4th Plenary Session of the 13th CPC Central Committee, in conjunction with the reality of the international macroclimate and the domestic microclimate, we have seriously summed up experiences and lessons and enhanced understanding of the importance and urgency of strengthening party building.

He said: In strengthening party building, we must first strengthen the building of the party's leadership groups. The leaders of these groups must be just and impartial in their dealings, and must display the spirit of hard struggle. When selecting and promoting leading cadres, we must comprehensively and accurately implement the criterion of the four transformations of the cadre force and lay stress on ideological qualities and work practices, especially on revolutionization. We must not lay excessive stress on academic qualifications and age. Regarding the age of the leadership group, we should stress an echelon structure.

Yang Rudai said that in strengthening party building, it is necessary to implement the party's democratic centralism and uphold the principle of having the minority subordinate to the majority, the individual subordinate to the organization, the lower levels subordinate to the upper levels, and the whole party subordinate to the Central Committee. In the party's ideological building, we must fully and accurately implement the party's basic line, advocate active ideological struggle, seriously launch criticism and self-criticism, carry forward the party's three fine traditions, and give full scope to the fighting force role of the party organizations and the vanguard and model role of the party members.

Comrade Yang Rudai said that in ideological and political work in some enterprises, a phenomenon has appeared in which the plant manager does not go far enough while the party secretary is afraid of going too far; it is difficult to say which is predominate there, the key position or the core role, and who is subordinate to whom. Comrade Rudai stressed that the key position of the plant manager in enterprise management and the political core role of the party organization in the enterprises actually constitute a relationship between politics and economics, and both are aimed at one goal: that is, at running the socialist enterprises well, continually strengthening the vitality of the enterprises, improving economic returns, and making new contributions to socialist construction.

Xu Mengxia, chairman of the provincial Advisory Commission, and others also attended the forum. [passage omitted]

Sichuan's Yang Rudai Stresses Economic Stability

HK1309030789 Chengdu Sichuan Provincial Service
in Mandarin 2200 GMT 14 Sep 89

[Excerpts] Yang Rudai, secretary of the provincial party committee, has emphasized that it is essential to understand stabilizing the economy in terms of stabilizing the overall situation, and to regard doing a good job in economic work this year as a political task. We must brace our spirits, overcome difficulties, and get a thoroughly good grasp of economic work in the remaining months of the year. [passage omitted]

At present, the province's economic situation is relatively good. However, there are also great difficulties in economic work. Production in many enterprises is on the slide, and industrial production is facing a very grim situation. Some cadres are mentally wavering and lack confidence. They are worried about whether the policies will change.

In view of this, Comrade Yang Rudai emphasized that it is essential to understand stabilizing the economy in terms of stabilizing the overall situation. This is the 40th year since the founding of the state. Not long ago, under the leadership of the CPC Central Committee and State Council, we won decisive victory in putting a stop to political turmoil and quelling rebellion. If economic

work is not done well, it is a political problem as well as an economic problem. The fourth plenary session and Comrade Xiaoping have pointed out that the economy must not be allowed to slide. While supporting the fourth plenary session and the speech of Comrade Xiaoping, it is even more important to translate them into action. The party and government at all levels must take effective measures, brace their spirits, overcome difficulties, and strive to fulfill this year's industrial and agricultural production plans.

Comrade Yang Rudai pointed out that currently it is important for the leading cadres of the party and government at all levels, and of the enterprises, to stabilize their thinking and stop worrying that the policies will change. Comrade Xiaoping said in a recent speech that we must continue to carry out and must not change the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and we must be still more bold in reform and opening up. We must seriously study and appreciate the spirit of Comrade Xiaoping's speech and work boldly and assiduously. Difficulties exist objectively. However, so long as we stabilize our thinking and the policies, we can overcome or ease the difficulties through our subjective efforts.

Comrade Yang Rudai stressed in particular that we must thoroughly establish the idea of regarding agriculture as the foundation. He said that the province has reaped good harvests this year. This is the result of overcoming various difficulties; in particular, political turmoil occurred in varying degrees in some large and medium-sized cities, and some areas suffered serious natural disasters. The county, district, and township party and government cadres upheld the overall situation, stayed firm at their posts, went to the frontline of production, lost no time in fulfilling the crash-reaping and sowing tasks, and worked hard to wage stubborn struggle against the natural disasters. However, we must certainly not be blindly optimistic. We must realize that our grain production is only in a revival phase. We must by no means neglect or even weaken agriculture, or stretch out our hands to the peasants and harbor designs on them just because there are good harvests this year. Such ideas and methods are incorrect.

Comrade Yang Rudai said: Comrade Chen Yun has said that there can be no stability without agriculture. Hosts of facts have proved that if agriculture is stable, there is tranquillity in the land. In Sichuan, we have a large population and not much farmland. The pressure on food and clothing has always been very great. If problems crop up in agriculture, Sichuan cannot be kept stable. This is a basic condition of our province. If we neglect this condition, we will make great mistakes. Hence, the leaders at all levels and all sectors and trades must establish thoroughly well the idea of regarding agriculture as the foundation. All localities must make early preparations for farmland capital construction in the coming winter and spring, and for the spring-harvested crops of next year.

On township and town enterprises, Comrade Yang Rudai said that we must comprehensively and accurately understand and implement the spirit of Comrade Xiaoping's relevant speeches and continue to stabilize and develop the township and town enterprises. There have been two main aspects in the 10 years of rural reforms—the contracted management responsibility system, and the rise of the township and town enterprises. There is no change in the policy of steadily developing these enterprises. However, it is necessary to readjust their structure somewhat, and work hard to improve and develop them. We should improve their management, promote their technological advance, and improve their product quality.

Yunnan's Pu Chaozhu Speaks on Party Building

HK1309103889 Kunming Yunnan Provincial Service in Mandarin 1200 GMT 12 Sep 89

[Excerpts] A provincial meeting of Organization Department heads of party committees at the prefectural, autonomous prefectural, and county levels concluded in Kunming yesterday afternoon.

The meeting participants seriously studied and warmly discussed problems related to the implementation of the spirit of the 4th Plenary Session of the 13th CPC Central Committee and the enhancement of party building. [passage omitted]

Pu Chaozhu, secretary of the CPC Yunnan Provincial Committee, made an important speech at the meeting. He first elaborated on the historical background of the No 9 document released by the central authorities and the basic situation in the party. He noted that the gravest lesson we have drawn from the turmoil and rebellion is that we must be intent on our work of enhancing party building, strengthen party leadership, intensify ideological and political work in the party, and justly and forcefully educate the people and young students with Marxism-Leninism-Mao Zedong Thought. Referring to the necessity for correctly understanding party building theoretically and ideologically, Pu Chaozhu expounded from the theoretical point of view on party leadership the role of a ruling party, the yardstick of selecting and promoting cadres, the party's guiding ideology, strengthening our sense of responsibility to the party, political sense, and the sense of class struggle. Speaking on strengthening party leadership organizationally, Pu Chaozhu noted that some problems should be properly solved at the moment. 1) It is necessary to restore leading party groups in governments at and above the county level. 2) The system of overall leadership by presidents or principals under the leadership of the party committee is suitable for universities and colleges as well as secondary vocational schools. 3) There is no change in exercising the system of factory director's responsibility in enterprises, but party committees of enterprises must participate in the work of making major policy decisions and the work of appointing, removing and promoting cadres; and must also be responsible for ideological and

political work among workers and staff members and the work of exercising leadership over mass organizations. 4) Basic party organizations in the rural areas must be consolidated. [passage omitted] Referring to the issue of resolutely fighting corruption and maintaining a clean and honest administration, Pu Chaozhu called on party committees at all levels to concentrate effort on investigating cases involving party-member cadres, especially the major and important cases of profiteering and bribe-taking by abusing power.

Provincial party committee deputy Secretary Nie Ronggui made a speech at the meeting too. Provincial party committee Organization Department head (Yao Huibin) made a closing speech. Provincial party and government leading Comrades Yin Jun, Ren Keli, (Yang Xinquan), Li Xingwang, and Li Guiying attended the session of yesterday afternoon.

North Region

Beijing Leaders Meet Student Federation Cadres

SK1209111389 Beijing BEIJING RIBAO in Chinese 28 Aug 89 p 1

[Text] Yesterday was Sunday. Comrades Li Ximing, Wang Jialiu, and Lu Yucheng called on some 80 chairman and vice chairmen of the presidium of the municipal students' federation who were participating in the meeting of the presidium of the municipal students' federation. In his speech, Comrade Li Ximing encouraged young students to firmly foster a Marxist world outlook, to overcome difficulties, and to temper themselves in the course of practices.

During the 50-day severe political struggle, under the vigorous guidance of the Beijing Municipal CPC Committee and the municipal committee of the Communist Youth League, the municipal students' federation had a clear-cut stand to oppose the disturbances, resolutely waged the struggle against unlawful organizations, and stood fast at their posts. To build an opposition party in China, the plotters and organizers of disturbances turned their spearhead against the students' federation, which was legally elected by the university students; pounded at and attacked the federation; and even launched a personal attack on the chairmen and vice chairmen of the federation. But, a great number of chairmen and vice chairmen of the federation have withstood the pressure, and stood fast and worked hard at their posts. The vast majority of the students at secondary specialized schools and secondary schools have been steadfast in their stand. For this reason, on behalf of the municipal party committee and the municipal government, he extended regards to the cadres of the students' federation. He said: A large-scale social unrest shall certainly produce greater repercussions in the ideological sphere. You have been working hard over the last few months. The main reason you have not physically or mentally broken down is that you have a firm world outlook. The reason some university students have lost their senses under the incitement of rumors is

that the focus of their world outlook is individualism. The students' federation should make efforts to direct the work toward the students, and guide the students to foster consciously a Marxist world outlook.

Hebei Secretary Inspects Drought-Stricken Areas

SK1309080289 Shijiazhuang HEBEI RIBAO
in Chinese 20 Aug 89 p 1

[Text] The four counties of Zhangbei, Kangbao, Shangyi and Guyuan in the plateau area of Zhangjiakou Prefecture were hit by catastrophic drought. From 14 to 17 August, Xing Chongzhi, secretary of the provincial party committee, visited the farms and peasant households in the disaster areas to check the extent of the disaster, express sympathy to the masses, and discuss ways to provide disaster relief with cadres and the masses.

Xing Chongzhi heard reports on conditions of the disaster in the four counties in the plateau area, visited 10 townships and 14 villages, and held talks with peasants in villages and on farms. Seeing that the masses had stable feelings and cadres worked actively despite the serious drought, he warmly encouraged them: We should note not only the serious difficulties brought by the disaster, but also the favorable conditions for conquering the difficulties. The macroclimate—Beijing suppressed the counterrevolutionary rebellion, the 4th Plenary Session of the 13th CPC Central Committee decided on the new leadership core of the party Central Committee, and party committees at various levels are conscientiously implementing the party's basic line, strengthening party building, and intensifying political and ideological work—is very favorable for us to achieve success in combating this disaster and carrying out relief work. He clearly pointed out: This disaster represents the most realistic test to every party organization and every party member. Party organizations at various levels should firmly rely on and mobilize the masses to help each other and surmount difficulties through self-reliance, and play their role as fighting bastions in the effort of the masses to provide for and help themselves through production. Party members and cadres should stand at the fore of the disaster relief, share weal and woe with the masses, and play a leading and exemplary role everywhere. Prefectures, cities, counties and townships, and various departments and units should retrench expenses, spend money the way they should in years of disaster, and never engage in wining and dining in disregard of the damages incurred by the disaster. He fully affirmed the method adopted by some counties of sending office cadres to townships to assume responsibility for relief work, holding that this method not only helps office cadres to improve their thinking and workstyles, and to maintain close ties with the masses, but is also conducive to giving specific guidance to the relief work.

After fully understanding the extent of the disaster, Xing Chongzhi held discussions with prefectural and county leading cadres and the masses on specific measures for helping themselves through production. He pointed out:

Because the disaster is very serious, it is very hard for some households to overcome their own difficulties by themselves, and therefore our leading persons at various levels should do a good job in organization. They should organize the masses to do a good job in protecting the remaining autumn production to ensure that as much grain and grass are harvested as possible. They should successfully organize the purchase and marketing of livestock and animal by-products, and the export of labor services, and develop labor-intensive industries to broaden the channels for making money and increase the ability for helping themselves. They should organize the masses to adopt effective measures to protect female animals and seeds, and carry out autumn farmland improvement projects to lay a good foundation for next year's production. He urged commercial, supply and marketing, grain, material supply, and transportation departments at various levels to adopt all possible means to successfully carry out purchases of farm and sideline products; exchanges of livestock and coal for grain and grass, respectively; and delivery of relief materials.

Xing Chongzhi said: In the plateau area, drought occurs in 9 out of 10 years, and disasters are frequent. While successfully carrying out the current relief work, we should have foresight, mobilize cadres and ordinary people to think things over conscientiously to summarize experiences and lessons, proceed from its reality to blaze a trail that helps us get rid of the passive situation once and for all and increase our ability to combat disasters, and promote a stable development in the agricultural production of the plateau area. Xing Chongzhi suggested development of farmland with high economic results. He said: If some high-and-stable-yielding farmland is developed, at least there will be no problem in the supply of food grain to the masses. Learning from the experiences in improving small valleys, we may select some plots of land with good water supply conditions and good soil quality, and concentrate our manpower, material and financial resources to cultivate them under unified plans and management through such measures as sinking wells, deep plowing, applying more farm manure, and using fine seeds. These plots of land may be improved as a whole, and then divided to be managed by households individually. Where conditions permit, we may develop some large grain producing households. In this way, per-unit yields and economic results may be improved. If everyone developed about two mu of high-and-stable-yielding farmland, the basic supply of food grain for the people can be guaranteed even if disaster occurs. In improving high-and-stable-yielding farmland, water shortages as well as fertilizer shortages should be resolved. Peasants in the plateau area have used manure as firewood for a long time, making their farmland increasingly barren. We may encourage every household to develop two mu of firewood forests. This helps not only ease the shortage of firewood in rural areas, but also increases manure. He also said that vocational education should be extensively developed, and education, science and technology should be combined with the economy so as to improve the educational and technical level of

manpower and enable the economic construction of the plateau area to develop more quickly.

On 18 and 19 August, Xing Chongzhi heard reports by the party committees of Zhangjiakou Prefecture and Zhangjiakou City on implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, party building, efforts in maintaining honesty in performing official duties, and economic work; visited commanders and fighters of the army units stationed there; and held forums of some veteran cadres of the prefecture and the city. In Xuanhua County, he inspected seriously and learned in detail about the development and improvement of the 10,000 mu of beaches along Yang He, and heard a report by the county party committee on its efforts in maintaining honesty and other work.

Hebei Secretary Attends Meeting on Honesty

SK1209091989 Shijiazhuang HEBEI RIBAO
in Chinese 26 Aug 89 p 1

[Excerpts] Organs directly under the province held a report meeting on honesty in performing official duties on the morning of 25 August. The purposes of the meeting was to implement the guidelines of the conference held by the provincial party committee on Xingtai Prefecture's efforts to remain honest in its official duties, to introduce and learn from Xingtai Prefecture's experiences, and to further improve the work of the organs directly under the province to remain honest.

Ye Liansong, Standing Committee member of the provincial party committee and provincial vice governor, presided over the meeting. Li Mingzhu, secretary of the Xingtai prefectural party committee, introduced its experiences in remaining honest in its official duties. Xing Chongzhi, secretary, and Lu Chuanzan, deputy secretary of the provincial party committee, delivered speeches. [passage omitted]

In his speech, Xing Chongzhi pointed out: Xingtai Prefecture's experiences in attaching importance to honesty in performing official duties are rich and systematic. Its practice explains three issues. First, dishonesty does exist in our ranks of party members and cadres, and poses a very serious problem. It is time we pay attention to it. The seriousness of the problem is epitomized in the abuse of power for selfish gains and in the exchange of power for money. The masses are very dissatisfied with this. Second, as long as leading persons pay attention, corruption can be eliminated and the work to maintain honesty in one's official duties can be improved. Third, remaining honest in one's official duties and opposing corruption is a long-term task. At present, we should devote both our time and energy to handling cases of corruption and foster the idea that maintaining honesty requires unrelenting efforts, so that all our party and government organs and all our cadres can become clean and honest.

Xing Chongzhi informed the comrades attending the meeting: The Standing Committee of the provincial party committee will hold a democratic meeting in early September. The purposes of the meeting will be 1) to conduct self-examination to see what experiences and lessons we have gained in our thinking and work during the period from student unrest to counterrevolutionary rebellion, and 2) to conduct self-examination on how we have implemented the requirements of the party Central Committee and the regulations for provincial-level party and government cadres to remain clean and honest. Xing Chongzhi earnestly urged leading persons of the various units directly under the province to widely check whether their office cadres have any complaints—mostly about honesty in the performance of official duties and of the leading members of the provincial party committee and government—and report such complaints to the provincial party committee in a timely manner through various measures.

Attending the meeting were Liu Ronghui, Chen Yujie, Yue Zongtai and Du Jingyi; responsible persons of the various departments directly under the province; and comrades from the offices in charge of the work of honesty in official duty performance, party committees, discipline inspection commissions and supervision offices of the departments—totalling more than 1,000.

Inner Mongolia Secretary at Sports Meet Opening

SK1209091289 Hohhot NEIMENGGU RIBAO
in Chinese 26 Aug 89 p 1

[Excerpts] The second regional traditional sports meet of minority nationalities opened in the Hohhot horse race field on 25 August. Present at the opening ceremony were leaders of the regional party committee, the regional government, the regional Military District, and the regional committee of the Chinese People's Political Consultative Conference, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Wen Jing, Yang Enbo, Hao Xiushan, Ke Ligeng, Butegeqi, Seyinbayer, Liu Zhenyi, Pei Yingwu, Zhao Zhihong, Li Guibin, Wu Ligeng, and Wang Chongren.

Ting Mao, member of the Central Advisory Commission; Kong Fei, member of the National People's Congress Standing Committee; and Wang Duo, veteran comrade who has been working in Inner Mongolia for a long period of time, attended the opening ceremony. [passage omitted]

The opening ceremony formally opened at 0840. Guided by the bright-colored five-starred red flag, more than 700 athletes and judges of various nationalities from 12 prefectures and cities passed the rostrum. Then, some 3,000 carrier pigeons were released high into the blue sky. This symbolized peace, unity, and friendship. The audience on the reviewing stand burst into warm applause.

Zhao Zhihong, vice chairman of the regional government, delivered an opening speech. On behalf of the

regional party committee and the regional government, he extended greetings to the opening of the sports meet. He said: Traditional sports of minority nationalities are key components of the traditional activities of the region's minority nationalities. Traditional sports have been developing vigorously thanks to the positive advocacy and the great support of the party and the government since the founding of the PRC. Since the 3d Plenary Session of the 11th CPC Central Committee, minority nationality sports have embarked on the orbit of rich, colorful, lofty, healthy, scientific, and civilized development; and have inherited and carried forward the fine national culture. [passage omitted]

Zhao Zhihong finally urged that all athletes should unite with and help each other, conscientiously compete with each other, elaborately perform their skills, and create outstanding achievements to fully manifest the progressive spirit of the people of various nationalities in the region. [passage omitted]

Wang Qun at Inner Mongolia Organizational Meeting

SK1309013889 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 9 Sep 89

[Text] After a 4-day session, the regional conference of Organizational Department directors to implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the national conference of Organizational Department directors to study and discuss the issue concerning realistically strengthening party building concluded in Hohhot today.

During the conference, comrades participating in the conference conscientiously studied and discussed Comrade Deng Xiaoping's principal instructions for Standing Committee members to grasp concentratively party building; and studied and discussed the important speeches delivered by Comrades Jiang Zemin, Li Peng, and Song Ping at the National Conference of Organizational Department Directors and the documents of the CPC Central Committee, including the circular on strengthening party building. Through cautiously reviewing and pondering over the work of the party, the participants maintained that whether or not we can realistically strengthen party building is a matter of great importance that has a bearing on the fate of the party and the state and on the success in reforms, opening to the outside world, and the socialist modernization. Through study and discussions, the comrades participating in the conference further enhanced the sense of responsibility and urgency for attending to party building. Through analyzing and appraising—according to the region's actual conditions, the current situation of the party organizations at various levels, and the ranks of party members—they further had a firm confidence in achieving party building. At the conference, the participants also studied the issue concerning how to attend ideologically, organizationally, and practically to party building.

Leaders, including Wang Qun, Bu He, Zhang Dinghua, and Qian Fenyong, made speeches at the conference. Zhou Rongchang made a summing-up speech, and made arrangements for the organizational work in the foreseeable future at the closing ceremony of the conference.

Northeast Region

Heilongjiang Secretary Inspects Highway Sites

SK1309120889 Harbin Heilongjiang Provincial
Service in Mandarin 0900 GMT 9 Sep 89

[Excerpt] On 9 September, Sun Weiben, secretary of the provincial party committee, and some other leaders, inspected the construction of two on-going key highway projects in the province—(Caijiagou)-Harbin section of the Beijing-Harbin highway and the Harbin-(Jiagou) section of the Suifenhe-Manzhouli highway—that will soon be completed and open to traffic.

The leaders expressed satisfaction with the construction quality and the plans for the projects being completed according to schedule.

The 74-km long (Caijiagou)-Harbin section of the Beijing-Harbin highway is a main artery of traffic from our province to Jilin and Liaoning Provinces. It is a second-grade highway intended especially for vehicle transportation services. The 37-km long Harbin-(Jiagou) section of the Suifenhe-Manzhouli highway is an initial, first-grade, totally-enclosed, and grade-separation highway intended especially for vehicle transportation service in our province. The completion of this highway shall play a key role in promoting the economic construction in the province.

Accompanied by leaders of the provincial Transportation Department, Sun Weiben; Wang Haiyan, deputy secretary of the provincial party committee; Xie Yong, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission; He Shoulun, vice chairman of the Standing Committee of the provincial People's Congress; and An Zhendong, vice governor of the province, inspected the construction sites this morning. [passage omitted]

Heilongjiang Secretary Attends Rally for Teachers

SK1309054789 Harbin Heilongjiang Provincial
Service in Mandarin 0900 GMT 10 Sep 89

[Excerpts] The provincial commendatory and awarding rally for outstanding teachers in celebration of the fifth Teachers' Day was held this afternoon in Harbin City, the capital of the province. Among the provincial leaders present at today's rally were Sun Weiben, Shao Qihui, Wang Zhao, Wang Luming, Zhou Wenhua, Wang Haiyan, Qi Guiyuan, Ma Boliang, Xie Yong, Liu Huixian, and Li Min. Also present at the rally was Li Jianbai, member of the Standing Committee of the National

People's Congress and chairman of the board of directors of the provincial teachers' awarding foundation. [passage omitted]

Shao Qihui, deputy secretary of the provincial party committee and governor of the province, made a speech at the rally. He said: In the mid-autumn season, on the threshold of the 40th anniversary of the National Day, we joyously usher in the fifth Teachers' Day. On behalf of the Heilongjiang Provincial CPC Committee, the provincial government, and the 34 million people in the province, I extend warm festive greetings and lofty respects to the vast number of teachers, administrative staff, and workers who are working hard on the provincial educational front; and express my heartfelt gratitude to the figures in all social circles who have been warmly concerned with and given energetic support to the development and reform of the province's educational undertakings.

Shao Qihui added: The tremendous changes and splendid achievements scored by the province over the past 40 years since the founding of the PRC are an embodiment of the hard work of the vast number of teachers. The provincial party committee, the provincial government, and the people throughout the province will always bear in mind the valuable contributions made by you teachers in helping Heilongjiang develop, build, and flourish.

Shao Qihui said in conclusion: At present, some 9 million people in the province are attending schools, accounting for more than 25 percent of the province's total population. The hopes and further development of Heilongjiang are placed on and depend on this generation of people. It is an extremely arduous and important task to train this generation of people to be competent people needed by the socialist modernization drive. This is not only the common duty entrusted by history on the people throughout the province, but also the glorious duty and sacred mission placed on the vast number of teachers. I hope that governments at all levels and all professions and trades in the province will show concern for and give support to educational undertakings and the work related to teachers, and will solve some problems and do some tangible things for teachers in a down-to-earth manner. At the same time, the vast number of teachers should be encouraged to live up to the expectations of the party and the people, and cultivate a new generation of socialists. [passage omitted]

Jilin Secretary Addresses Industrial Work Forum

*SK1309115089 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 10 Sep 89*

[Text] After a 2 and 1/2 day session, the provincial industrial work forum concluded in Changchun City on 10 September. During the forum, He Zhukang, secretary of the provincial party committee, delivered a speech on

further implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee deeply, unifying thinking, heightening spirit, and working hard to strive to create a turn for the better in the province's economy.

It was stressed at the forum that the basic line adopted at the 13th CPC Congress with regard to economic construction as a center, upholding the four cardinal principles, and upholding the guideline of conducting reform and opening to the outside world is correct and we should never waver in following this line.

After analyzing the province's severe situation prevailing in economic work since the beginning of the second half of this year, the participants put forward the demands of having to master the method of looking at things dialectically in the future, discerning favorable conditions under the circumstances of more prominent difficulty, maintaining an active state of mind, and enhancing the confidence in overcoming the difficulty. Efforts should be made to determine how to improve the structure of economic development, in which speed has been maintained by relying on high investment; and to have the economic work shift back on track as soon as possible. We should also unswervingly implement the special policy, following the principle of maintaining some projects while curtailing others, and using limited natural resources on key enterprises and on the production of key products. A good job should be done in dealing with the relationship between partial interests and whole ones; between the control of types, quantities, and structure readjustments; and between the task of improving the economic environment, rectifying economic order, and deepening the reform drive, as well as in continuing to stabilize, improve, and deepen the reform drive.

It was pointed out at the forum that relying on the working class wholeheartedly to operate enterprises represents an important sign of socialist enterprises, with public ownership in the forefront; and an important principle which must be grasped and implemented by us in conducting reform and construction.

It was held at the forum that upholding the party's leadership represents the core of upholding the four cardinal principles; that in enhancing the party's leadership, we should unify the thinking of the broad masses of cadres and party members with the spirit of the 4th Plenary Session of the 13th CPC Central Committee; and that efforts should be made to uphold socialist orientation, to bring into full play the core political role of party organizations, to handle successfully the problem in which matters have been dealt with through hard tactics on the one hand, and soft ones on the other hand, to resolutely wage the struggle of stressing strict discipline and eliminating embezzlement and corruption, to enhance building self-improvement, and to strengthen the principle of party spirit in economic work.

During the forum, the participating comrades also discussed opinions on enforcing responsibility systems

among the state-run enterprises in the future; the work situation and opinions gained by the provincial party committee and the provincial people's government in enlivening the enterprises since the province's drive of economic reforms; on further enlivening the large and medium-sized enterprises; and on making up production losses in the first half.

Governor Wang Zhongyu presided over the forum. Also attending were Li Guomin, secretary of the provincial Discipline Inspection Commission; Gao Wen and Hui Laignyu, vice governors of the province; and responsible comrades of the departments concerned.

He Zhukang Attends Jilin Exhibition Opening

SK1309051989 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 11 Sep 89

[Text] The Jilin provincial exhibition on public security achievements in celebration of the 40th anniversary of the founding of the PRC, sponsored by the provincial Public Health Department, opened today at the Changchun City Children's Park.

He Zhukang, secretary of the provincial party committee, and Zhang Fengqi, chairman of the provincial Advisory Commission, cut the ribbon at the opening of the exhibition.

This exhibition includes nine exhibition halls. Except for the one comprehensive hall, the eight other halls are set up in eight cities, prefectures, and autonomous prefectures of the province. By means of more than 1,200 pictures, these nine exhibition halls have displayed with a wealth of content and detailed data the achievements scored by the provincial public health front over the past 40 years since the founding of the PRC in the fields of disease prevention, scientific research, education, medical treatment, health care, the traditional Chinese medicine, the traditional Chinese medical science, and the international medical exchanges.

Attending the ribbon-cutting ceremony were leaders of pertinent departments of the province, including Li Deming, Zhu Jinghang, Lu Shiqian and [words indistinct]. (Zhang Zonglin), deputy secretary general of the provincial government, made a speech on behalf of the provincial party committee and the provincial government.

This exhibition will end on 3 October.

Jilin's He Zhukang Addresses Model Artists

SK1509090189 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 14 Sep 89

[Excerpts] On the eve of the 40th anniversary of the National Day, the literary, artistic, and publishing circles in the province have again scored some new achievements. On the afternoon of 14 September, leading comrades of the provincial party committee, the provincial

Advisory Commission, the provincial People's Congress, the provincial people's government, and the provincial Chinese People's Political Consultation Committee, received the writers and editorial personnel of the film "Kai-Guo-Da-Dian", the PRC's statute book, the novel "Qian-De-Tie and Xin-De-tie," and the Beijing opera "Xi-Dan-Hun". These leading comrades include He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Xinling, and Liu Xilin; Ren Junjie, secretary general of the provincial party committee; and responsible comrades from the provincial level departments. They also held a forum with these writers and editorial personnel. [passage omitted]

During the forum, the provincial leading comrades highly praised the achievements scored by these writers and editorial personnel, who also pledged to never let the people of the province down and to create more elegant nourishment for the people's minds. He Zhukang and Wang Zhongyu delivered speeches in which they urged the literary, artistic, and publishing circles in the province to further unify their thinking with the spirit of the 4th Plenary Session of the 13th CPC Central Committee, to oppose resolutely bourgeois liberalization, to write or compile more outstanding works at the current and great moment of conducting reform and revitalization.

Jilin Secretary Attends Awards Meeting

SK1509093889 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 14 Sep 89

[Excerpts] On 14 September, representatives of 18 advanced cities and counties, which had sold more grain to the state, and 100 model peasants, who were decorated with an honorary flower, happily got together in the Nanhu Guesthouse of Changchun City to attend on behalf of 150 million peasants throughout the province the commendation meeting sponsored by the provincial people's government in honor of the advanced cities, counties, and peasants who had been outstanding in selling more grain to the state. The meeting is aimed at publicizing the lofty patriotic spirit of the broad masses of peasants, further promoting the development of grain production in the province, and encouraging them to make new contributions to grain production.

Attending the meeting were the leading personnel of the provincial-level organs, including He Zhukang, Wang Zhongyu, Du Xinlin, Zhang Fengqi, Renqinzhamsu, Gao Wen, Hui Liangyu, Liu Yunzhao, and Chen Xingyin. Zheng Zhixin, director of the grain management department under the Ministry of Commerce, came to Changchun City to attend the meeting by taking a special trip, and also read the congratulatory message of the Ministry of Commerce at the meeting.

Hui Liangyu, vice governor of the province, presided over the meeting. [passage omitted]

During the meeting, Governor Wang Zhongyu delivered a speech. [passage omitted]

In his speech, he read the decision made by the provincial people's government on commending the 10 advanced cities and counties, including Gongzhuling City and the counties of Fuyu, Yushu, and Yongji; and 100 model peasants, including (Wang Chengzhi), (Lu Jingkuan), (Li De), (Li Shuhuai), (Zhang Daoquan), and (Liu Jingde), who had succeeded in honoring the fixed-quota grain purchase contracts and sold more grain to the state in 1988. During the meeting, these representatives have been conferred with the honorary titles of advanced unit and model peasant. [passage omitted]

During the meeting, the 100 model peasants issued a letter of proposal to 150 million peasants throughout the province to call on them to unite as one; to proceed from the situation as a whole; to make efforts to increase grain output by relying on the policy, science and technology, and investment; and to further carry forward the glorious tradition of ardently cherishing the motherland and actively supporting the national construction to fulfill in an overall way the fixed-quota grain sale target this year, to sell more surplus grains to the state, and to greet the 40th anniversary of National Day with practical deeds.

Veteran Opposition Leader Yu Teng-fa Dies

*OW1409085389 Taipei CNA in English
0250 GMT 14 Sep 89*

[Text] Kaohsiung, Sept. 14 (CNA)—Yu Teng-fa, the last surviving first-generation opposition leader in Taiwan, died unexpectedly at his residence in Kaohsiung County Wednesday [13 September]. The cause of his death remains to be ascertained.

Yu's body was found at 9:30 a.m. by a tenant of his who went to call on appointment. The caller found Yu lying on the floor with a small puddle of blood under his head.

Mrs. Yu-chen Yueh-ying, chief executive of Kaohsiung County, immediately drove to Yu's residence, where he had been living alone, upon learning of her father-in-law's death. She ordered the place cordoned off pending further investigation.

Because the back door of the house was open, Mrs. Yu suspected possible foul play. A coroner's examination indicated that the back side of Yu's head had been injured. However, the injury could have been caused by a fall.

Yu began his political career when Taiwan was colonized by Japan. Elected a member of the National Assembly in 1946 and serving as Kaohsiung County magistrate for more than 10 years from 1960, he thus played an important role in local political activities. He was one of the major factional leaders in Kaohsiung County's political circle.

Yu was sentenced to nine years in prison in 1979 for his involvement in the Wu Tai-an spying case. He was later hospitalized and released on bail.

Although his legal troubles prevented him from personally running for public offices, Yu's influence enabled his daughter-in-law, grandson and granddaughter to score resounding election victories.

In recent years Yu became less involved in opposition politics partly because of his age and partly due to his strong advocacy of reunification with Mainland China, which runs counter to the opposition's call for self-determination, or Taiwan independence.

Commentaries Consider Massacre Aftermath

Continued Martial Law

*OW1309052189 Taipei International Service
in English 0200 GMT 10 Sep 89*

[Station commentary: "Martial Law To Stay in Peking"]

[Text] Martial law, that is, martial law the real thing—a lot of tanks and armed military patrols on the street, will remain in Peking indefinitely, according to hardline Communist Premier Li Peng.

Li delivered his warning to a group of Japanese visitors, using the occasion earlier this week to affirm that he is in control and that the crackdown on dissent in Mainland China will continue in full swing.

Officially, Peking has wanted people at home and abroad to believe that it is business as usual in Communist China, 3 months after the brutal massacre of innocent civilians in Tienanmen Square on 4 June. But Li, unwittingly or not, contradicted that assertion when he promised that martial law would not be lifted in Peking for the indefinite future. Certainly tanks and armed troops patrolling and blocking off the square do not amount to business as usual.

Foreign businessmen and tourists in Peking also do not think things are business as usual. With the main tourist attraction sealed off, tourists are hard put to find something else to do besides curiously looking at the soldiers.

Li Peng himself has, according to foreign businessmen coming out of the mainland recently, been very busy consolidating his power and recentralizing the economy. In the past 10 years, Teng Hsiao-ping and his economics-minded protege, the now purged Chao Tzu-yang, carefully guided the mainland economy away from centralization toward market-oriented reforms. The result has been unprecedented economic progress at all levels of society, particularly among the hundreds of millions of farmers who benefited by the dismantling of the communes.

Now Li Peng and his hardline Marxist faction in the Communist Party are reversing the gains with a return to more Maoist-oriented policies, including centralization of the economy. Li has repeatedly voiced his spite for the market reforms championed by Chao Tzu-yang and other technocratic leaders in the Communist Party. And now, by promising continued martial law in Peking, Li is also trying to send out the message that he will not rest until the political situation is totally reined in under his control.

In typical Maoist fashion, Li appears totally oblivious to the damage his program is doing to the mainland economy and society in general. For starters, foreign tourism, the major source of foreign exchange dollars, has nearly dried up, the victim of the fear that Li insists on instilling in people. Moreover, foreign businesses are pulling out, seeing no future in a Mainland China that is withdrawing to its Maoist shell again.

Thus, it does no good for the Communists to assert that it is business as usual in Peking when Li Peng and other hardliners make it perfectly clear to the contrary. The forked tongue does not fool anyone.

The fact is that martial law or no martial law in Peking, the Chinese Communists will still find other excuses to round up opponents and eliminate them. As Li Peng now promises, martial law will at least continue to be the cover for communist oppression.

100th Day Passes

*OW1409180789 Taipei International Service
in English 0200 GMT 14 Sep 89*

[Station commentary "Tienanmen Remembered"]

[Text] In accordance with Chinese tradition, Chinese around the globe commemorated the 100th day since the Tienanmen massacre in Peking. As with a death in the family or the death of a national leader, Chinese hold rights on the 100th day to mourn the loss of loved ones.

In Taipei, some 500 persons braved torrential typhoon rains to hold ceremonies to memorialize the Tienanmen massacre. Holding candles, torches, and chrysanthemums, the traditional Chinese funeral flower, the participants gathered at the Chiang Kai-shek Memorial in downtown Taipei to sing patriotic songs. The highlight of the event was a broadcast phone call from Wuer Kai-hsi from Paris. Wuer Kai-hsi is the student who led the Tienanmen demonstrations and who fled the Chinese mainland via an underground railroad when the violent military crackdown began. He has since been given asylum in the U.S. and France.

In Hong Kong, where the weather was more permissible, more than 50,000 persons gathered at a soccer field in Victoria Park to commemorate Tienanmen. Still others protested outside the HSINHUA NEWS AGENCY building, which houses Communist China's unofficial reps in Hong Kong. The Hong Kong events were organized by the Hong Kong Alliance for the Democratic Movement in Mainland China. They raised anti-Chinese Communist banners in the park and called for the downfall of the Peking regime. Organizers said in their speeches that any regime which is distrusted by the people should step down. Another large banner posted outside HSINHUA asked the Chinese Communist leadership: Can you still eat?—in reference to their consciences with regard to the Tienanmen massacre.

Other rallies were held in cities where Overseas Chinese have large numbers. In Paris and London, hundreds of Chinese and foreign supporters of the Chinese democracy movement staged protests and memorial services in honor of the thousands of victims of Tienanmen and the ensuing crackdown. Back in Taipei, Taiwan reporters who covered the Tienanmen massacre live gave life to the drama by showing photos and giving eye-witness accounts in talks.

Worldwide sentiment against the Chinese Communist regime continues to spawn following Tienanmen. The backlash has created a unified Mainland Chinese dissident movement exiled abroad, and has kept the heat on foreign governments to censure Peking in the court of world opinion.

For its part, Peking continues to claim that it is business as usual in Communist China, and that the Tienanmen violence was necessary to quell a budding rebellion. Those claims, however, are not accepted by the broad base of foreign and Chinese opinion. The net of it is that Peking keeps digging a public relations hole for itself deeper and deeper with each outrageous claim. The ghost of Tienanmen will be around a long time to haunt Peking.

International Bids on Missile Cruisers Invited

*OW1209081389 Taipei Domestic Service in Mandarin
2300 GMT 10 Sep 89*

[From the "National Hookup" program]

[Text] According to a LIEN HO PAO report, high-ranking military officials revealed yesterday that international shipbuilders will be invited to bid for building the second-generation naval guided missile cruisers in the hope that manufacturers of the world's advanced warships will come to take part in the bidding.

According to the source, shipbuilding companies from Britain, France, West Germany, Italy, and the United States have expressed their intention to take part in the bidding. South Korea's HDS-2001 cruiser manufacturer is also considering taking part in the bidding. It was learned that General Hao Po-chun, chief of the General Staff, played a key role in terminating the joint shipbuilding venture with South Korea and reopened the international bidding.

Investment Contracts Signed in Xiamen

*OW1209010089 Tokyo KYODO in English
1431 GMT 11 Sep 89*

[Text] Xiamen, Sept. 11 KYODO—Some 600 businessmen from Taiwan signed individual investment contracts with China totaling around 250 million dollars at international investment talks held at Xiamen, Fujian Province, officials of the conference's organizing committee said Monday.

The size of the deals showed a recovering interest in investment in China by Taiwanese merchants who fled the mainland after the military crackdown on demonstrators in Beijing in June.

About 4,000 business officials, including 2,200 foreigners from 22 countries, gathered at the conference which ended its four-day schedule on Monday.

Participants agreed to invest a total of 930 million dollars in 530 contracts with China, of which foreign contributions accounted for 697 million dollars, the officials said.

Committee officials would not disclose details of Taiwanese investment in Fujian Province.

Hong Kong

Governor To Visit United States in October

OW1309051389 Beijing XINHUA in English
1337 GMT 12 Sep 89

[Text] Hong Kong, September 12 (XINHUA)—Sir David Wilson, Hong Kong governor, will visit the United States from October 14 to 21 this year, a government spokesman announced here today.

During his eight-day tour of both east and west coasts, Sir David will visit Washington, D.C. where he will meet congressional leaders and cabinet members of the United States Administration.

After Washington, Sir David will go on to Los Angeles and San Francisco.

While in the U.S., the spokesman said, Sir David will undertake a number of speaking engagements and will brief business and community leaders on the political and economic situation in Hong Kong and on Hong Kong's far-reaching long term development plans.

This will be Sir David's second visit to the U.S. since taking up office. He last toured the U.S. in October 1987.

Over 50,000 Attend Tiananmen Anniversary Rally

HK1309023989 Hong Kong SOUTH CHINA
MORNING POST in English 13 Sep 89 pp 1, 7

[By Chris Yeung, Kent Chen and Terry Leung]

[Text] More than 50,000 Hong Kong people last night commemorated the 100th day since the June 4 Beijing massacre at a star-studded rally in Victoria Park which was marred by a mass walk-out of mourners.

Hundreds of angry residents spontaneously quit the event, featuring pop idols including Anita Mui, saying they found it too "cheap and entertainment-oriented" for such a solemn occasion.

They demanded that the rally be aborted and asked for a public apology from the organisers, the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China.

About 1,000 joined a sit-in nearby staged by the April 5 Action Group, which was also dissatisfied with the way the event was organised.

Despite the walk-out the 2 and 1/2 hour rally remained peaceful and reached its climax when fugitive Chinese student leaders addressed the audience by long-distance telephone call.

One angry mourner, Ms Lau Shuk-yin, told an organiser, Mr Yeung Sum: "We're not here to watch a pop concert. We don't need rock and roll which has nothing to do with the memorial activities for the June 4 massacre."

"We all feel deep grief today. It is an insult to our deep grief, our patriotic sentiments and our remembrance for the martyrs."

"Many of us have had high expectations. We don't expect it to be turned into a concert. Please don't under-estimate the masses. We did not come for the performances of the singers. We want something dignified not cheap. You should reflect on what happened tonight."

Another mourner agreed: "It's just like a show. It makes us very angry and disappointed. There should be more speeches from academics and democratic leaders and the public should be allowed to express their sorrow."

Chairman of the Alliance, Mr Szeto Wah, admitted after the rally that there had been shortcomings, but insisted they only wanted to express their grief in different ways.

Claiming that the artists were already under pressure to participate in the gathering, he called for respect to them.

Mr Szeto estimated the turnout at around 100,000, while the police put the figure at 50,000 soon after the gathering started at 8 pm.

Mr Szeto, who has been accused by China of fomenting counter-revolutionary activities, remained uncompromising and demanded the ousting of the Beijing regime.

He said: "We will never be scared away. Tonight's event marks the beginning of our long-term struggle for our cause."

"We will never break into tears. We don't need tears. What we need now are determination, courage and solidarity to further our long-term and hard struggle."

"The Alliance will never be disbanded even if only I am left behind. I'm convinced we will have more and more supporters," he said.

During the rally the audience applauded as a tearful fugitive student leader Wu'er Kaixi read out a mourning message, jointly written with dissident intellectual Yan Jiaqi.

They said in their long-distance call: "Heroes of the June 4 Tiananmen massacre, you will always be on our mind. We will carry on your unaccomplished mission to devote our lives to fight for a free and democratic China."

"Every time when I hear the voice of Chai Ling and see the pictures about the student movement, I break into tears."

"Many more of my best friends were arrested," he said. "Those of us who escape from the brutal suppression have the holy responsibility to carry on their unaccomplished mission."

"Every Chinese in the world should unite to create a free, democratic and peaceful China."

Mr Yan also called on all Chinese to join forces to create a joyful nation.

Another student leader Li Lu, who was the second-in-command during the Tiananmen Square protests, told the Hong Kong mourners that foreign passports were not the answer to the present problems facing the territory in the count-down to 1997.

"I hope to see a democratic force be established in Hong Kong in 1997," he said.

The evening gathering began with sensational start when the crowded park was plunged into darkness when the organisers had the lights switched off at 8 pm sharp.

Broadcasts of excerpts from two recorded speeches made earlier by student leader, Wu'er Kaixi and Chai Ling on the June 4 killings were followed by a memorial speech prepared by the organisers.

The mourners then sat in silence to pay tribute to the victims of the June 4 killings, followed by an excerpt from a drama on the seven-week-long pro-democracy protests.

More than 20 pop singers including Sally Yeh, Jackie Cheung, Deanie Yip, Francis Yip, top band Tai Chi and three Taiwanese singers expressed their sorrow through patriotic songs such as For Freedom, Bloodstained Honourable Image and pop hits including Blessings and Ask Me.

The rally ended at 10.30 pm with a manifesto calling for unity among Chinese all over the world to promote democracy through peaceful, rational and non-violent means.

"We're convinced there will be the day when another democratic movement, in larger scale, will erupt to end the totalitarian rule in China," it said.

Afterwards, another organiser, Mr Lau Chin-shek, said: "Maybe it's better to have more speeches, but we thought we should inject some kind of hope to the people through some light-hearted songs.

"Different people have had different ways of expression. We're going to have another rally on October 1 which will have a stronger mood. But we want something more light tonight ... I don't think it's a failure."

XINHUA Officials Reject Petition Letters

HK1309020189 Hong Kong SOUTH CHINA MORNING POST in English 13 Sep 89 p 7

[By Terry Leung]

[Text] China's de facto embassy in Hong Kong, the New China News Agency, yesterday refused to accept petitions supporting the pro-democracy movement in China.

The refusal prompted Kwai Tsing District Board members Mr Lee Wing-tat and Mr Leung Yiu-chung to tear

up their petition letter addressed to Beijing and scatter the pieces around the NCNA's entrance, which was guarded by about 20 policemen.

Similar petitions from groups including the Hong Kong Association for Democracy and People's Livelihood, the April 5 Action Group and the Sha Tin Alliance to Promote Democratic Movement were also rejected by NCNA staff.

Mr Lee is also a leader of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, which has been branded by Beijing as subversive.

Signed by 13 members of the board, Regional Councilors and representatives from six community organisations, the petition was part of a series of activities to mark the 100th day since the June 4 massacre in Beijing.

Carrying a picture depicting a padlock broken by democracy and freedom, the group condemned the bloody crackdown and demanded an immediate stop to the reprisals against mainland pro-democracy activists.

Following the massacre the NCNA received dozens of petitions each day supporting the mainland student protesters.

Activities were held throughout the territory yesterday in remembrance of the victims of the Tiananmen Square massacre.

Early in the morning, about 20 members of the Hong Kong Federation of Students took part in a run from Garden Road to Victoria Peak, while another 20 from the University of Hong Kong trekked up from their Pokfulam campus.

Wearing black armbands and headbands, the students vowed "to sacrifice our young lives for China's future" after they converged at the Peak tram station.

Thousands of Catholics attended Masses in various churches to mourn the victims.

A group of Hong Kong Polytechnic students showed slides, played video tapes and sang patriotic songs in a candle-light vigil.

One newspaper carried an advertisement signed by a group of Christians demanding an end to Beijing's persecution and prosecution of mainland pro-democracy activists.

Also in Hong Kong yesterday, Breakthrough, a Christian publishing body, released the results of an opinion survey that found more than 45 percent of youths were still confident over the future of China and Hong Kong.

Law Drafters Postpone Session Until February

HK1309022589 Hong Kong HONGKONG STANDARD
in English 13 Sep 89 p 1

[By Ma Miu-wah]

[Text] The ninth plenary session of the Basic Law Drafting Committee [BLDC] which is to decide the political fate of Hong Kong after 1997 has been postponed until February.

The latest postponement—three weeks later than last scheduled—is intended to give drafters more time to consider late suggestions.

According to a BLDC secretariat notice, the various meetings will be arranged as follows:

- December 11-12: meeting of the subgroup on Central-SAR [Special Administrative Region] relations.
- December 13-16: meeting of the subgroup on political structure.
- December 17: meeting of the subgroup on education, science, culture, sports, religion, labour and social services.
- December 18: meeting of the subgroup on economy.
- December 19: meeting of the subgroup on residents rights and duties.
- January 22-24: enlarged meeting for the chairman, vice-chairmen and subgroup co-conveners.
- February 12-17: the ninth plenary session of the BLDC.

The Basic Law will be approved and promulgated by the National People's Congress next Spring.

While there is no change for the dates of the subgroup meetings, five more days, between January 16 and 20, were scheduled for additional meetings.

The BLDC notice said some drafters had suggested the most thorny issues might need further discussion.

Local drafter and lawyer Miss Liu Yiu-chu said although the consultation officially ended in October, comments would be considered as long as they were put forward before the end of the meetings.

"I welcome the latest schedule because it shows that the drafters are responsible," she said.

Macao

Further Reportage on Lu Ping, Delegation Visit

Lu Comments on Basic Law

HK1309023389 Hong Kong SOUTH CHINA
MORNING POST in English 13 Sep 89 p 7

[By Kent Chen and Adam Lee in Macao]

[Text] The senior Chinese official in charge of Hong Kong and Macao affairs, Mr Lu Ping, said yesterday that

the future Macao Basic Law should include only broad principles and leave out unnecessary details.

Mr Lu, deputy director of the State Council's Hong Kong and Macao Affairs Office, said the Basic Law as a constitutional document should not go into details regarding the policies of the future Macao Special Administrative Region government.

Mr Lu, head of a four-man fact-finding delegation to the enclave, warned that if the Basic Law provisions were too specific and rigid, no room would be left for the SAR [Special Administrative Region] government to make up its own policy.

Speaking to the Macao Basic Law Consultative Committee, Mr Lu said: "Things will change, we should leave the Macao SAR Government with the discretion to decide on its policy in response to practical situation."

Some other articles in Hong Kong's draft Basic Law, he added, were included because different sectors of society wanted their interests to be safeguarded by the mini-constitution.

"If we agreed to include one provision concerning a certain sector, others will demand the same treatment," he said.

The gambling industry of the Portuguese enclave wanted the Macao Basic Law to devote special provisions on protecting the industry.

Mr Lu said: "We all acknowledge that the gambling business is vital to Macao's economy, but personally I think it will be quite improper to have 'gambling' mentioned in the Basic Law. And other descriptions such as 'entertainment services' mean nothing.

"It sounds ridiculous to have such provisions contained in a constitutional document."

Draft 'Mini-Constitution' Presented

HK1409022589 Hong Kong SOUTH CHINA
MORNING POST in English 14 Sep 89 p 5

[By Adam Lee in Macao]

[Text] Macao representatives of two Chinese political bodies have presented a visiting delegation of mainland Basic Law drafters with a draft mini-constitution that appears to be modelled on its Hong Kong counterpart.

Delegates to the law-making body, the Chinese National People's Congress and the advisory body, the People's Political Consultative Conference, met Mr Lu Ping, vice-director of the Hong Kong and Macao affairs Office of the State Council, for two hours yesterday.

They presented a draft Basic Law containing eight chapters and a preamble to Mr Lu, who is also secretary general of Macao's Basic Law Drafting Committee.

The draft included general principles; methods for the formation of the Macao Special Administrative Region; fundamental rights and duties of residents; political structure; economy; structure of society; external affairs; and interpretation and amendments of the Macao Basic Law.

The delegation will end its 13-day visit to the Portuguese enclave on Saturday and return to Beijing.

Governor Briefs Lu

*OW1509015389 Beijing XINHUA in English
0125 GMT 15 Sep 89*

[Text] Macao, September 15 (XINHUA)—Carlos Melancia, the governor of Macao, met here on Thursday afternoon with Lu Ping, deputy director of the Hong Kong and Macao Affairs Office of the Chinese State Council who is on a visit to Macao.

It is learned that the governor briefed the Chinese official on the progress of various development schemes

in Macao. Lu Ping said that the Chinese government supports all projects that are to the benefit of Macao's stability and progress.

On the governor's planned visit to Beijing early next month, Lu said, "We are looking forward to Governor Melancia's visit."

The governor is scheduled to visit Beijing October 4-8 at the invitation of Zhou Nan, Chinese vice-foreign minister.

Lu Ping arrived in Macao on September 4. During his stay, he met people from different walks of life, soliciting opinions on drafting the Basic Law of the Macao Special Administrative Region of the People's Republic of China.

On development of relations between Macao and the Chinese Mainland, Lu Ping summarized it into four phrases: one country, two systems, peaceful coexistence, mutual trust and mutual cooperation.

"Hong Kong, Macao and the mainland are like in the same big family. Only peaceful coexistence can develop such a family healthfully," he said.

END OF

FICHE

DATE FILMED

18 SEPT. 1989

